



## **FINANCE COMMITTEE AGENDA PACKAGE**

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**March 15, 2026  
2:00 p.m.  
Dial-in Info: 1-321-299-0575  
Meeting ID: 247 181 032 112 98#**

### **Committee Members**

Kevin Crawford, Kissimmee - Chair  
Javier Cisneros, Fort Pierce  
Barbara Quiñones, Homestead  
Karen Nelson, Jacksonville Beach  
Jesse Perloff, Key West  
Steve Langley, Mount Dora  
Dallas Lee, Newberry  
Efren Chavez, New Smyrna Beach  
Marie Brooks, Ocala  
James Braddock, Wauchula

### **Meeting Location**

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



# MEMORANDUM

TO: FMPA Finance Committee

FROM: Rich Popp

DATE: Wednesday, April 8, 2026

SUBJECT: FMPA Finance Committee Meeting **Wednesday, April 15, 2026 at 2:00pm**

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

DIAL-IN: **321-299-0575, Meeting 247 181 032 112 98#**

LINK: [Join the meeting now](#)

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

*Chairperson Kevin Crawford, Presiding*

## AGENDA

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RP/lj

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 1-(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**

**Finance Committee Meeting  
April 15, 2026**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Finance Committee Meeting  
April 15, 2026**

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

**Finance Committee Meeting  
April 15, 2026**

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

**Finance Committee Meeting  
April 15, 2026**

**AGENDA ITEM 5 – CONSENT  
AGENDA**

**a. Approval of Minutes – Finance  
Committee Meeting Held January 4,  
2026**

**Finance Committee Meeting  
April 15, 2026**

CLERKS DULY NOTIFIED ..... JANUARY 07, 2026  
AGENDA PACKAGE SENT TO MEMBERS..... JANUARY 07, 2026

**MINUTES  
FINANCE COMMITTEE MEETING  
WEDNESDAY, JANUARY 14, 2026  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FL**

**PARTICIPANTS  
PRESENT**

Javier Cisneros, Fort Pierce  
Barbara Quiñones, Homestead (virtual)  
Jeanette Williams, Key West (virtual)  
Kevin Crawford, Kissimmee  
Steve Langley, Mount Dora (virtual)  
Efren Chavez, New Smyrna Beach (virtual)  
Marie Brooks, Ocala\* (virtual)  
James Braddock, Wauchula (virtual)

**PARTICIPANTS  
ABSENT**

Karen Nelson, Jacksonville Beach  
Dallas Lee, Newberry

**OTHERS  
PRESENT**

Michele Harris, Fort Pierce (virtual)  
Kendrah Wilkerson, Havannah  
Dan Goetz, Kissimmee (virtual)  
Justin Buckman, Kissimmee (virtual)  
Ed Liberty, Lake Worth Beach  
Matthew Ganoë, Purvis Gray (virtual)  
Michael Mace, PFM (virtual)

**STAFF PRESENT**

Jacob Williams, CEO and General Manager  
Rich Popp, Chief Financial Officer  
Jody Finklea, General Counsel and Chief Legal Officer  
Ken Rutter, Chief Operating Officer  
Dan O’Hagan, Deputy General Counsel and Manager of Regulatory Compliance  
Sue Utley, Executive Assistant to the CEO and Assistant Secretary to the BOD  
Jason Wolfe, Financial Planning, Rates, Budget and Fuels Director  
John Bradley, Energy Business Strategist  
Chris Gowder, Chief System and Operations Technology Officer  
Mary Kathryn Patterson, Senior Public Relations Specialist  
Emily Maag, Senior Public Relations Specialist  
Danyel Sullivan-Marrero, Controller  
Lindsay Jack, Executive Assistant Support Coordinator  
Sena Mitchell, Treasurer Manager  
Ed Nunez, Assistant Treasurer – Debt/Insurance  
Veda Sharma, Auditor II

**ITEM 1 – Call to Order, Roll Call and Declaration of Quorum**

Finance Committee Chair, Kevin Crawford, Kissimmee, called the FMPA Finance Committee Meeting to order at 2:01 p.m. on Wednesday, January 14, 2026. A video and audio connection for public attendance and participation was broadcast in the Frederick M. Bryant Board Room, FMPA, 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared, with 7 of 11 members present. Marie Brooks, Ocala, joined after Action Item 8b, bringing the total number of members present to 8 out of 11.

**ITEM 2 – RECOGNITION OF GUESTS**

Tim Westgate and Matthew Ganoë, Purvis Gray.

Michele Harris, Fort Pierce, Chief Financial Officer.

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

None.

**ITEM 4 – SET AGENDA (BY VOTE)**

**MOTION:** Javier Cisneros, Fort Pierce, moved approval to set the agenda as presented. Barbara Quiñones, Homestead, seconded the motion. Motion carried 7-0.

**ITEM 5 – CONSENT AGENDA**

- a. Approval of Meeting Minutes, Meeting held December 10, 2025

**MOTION:** Javier Cisneros, Fort Pierce, moved approval of the Consent Agenda. Barbara Quiñones, Homestead, seconded the motion. Motion carried 7-0.

**ITEM 6 – CHAIRPERSONS REMARKS**

Chair, Kevin Crawford, Kissimmee, thanked the committee for the opportunity to Chair the Finance Committee.

**ITEM 7 – CFO REPORT**

Rich Popp thanked FMPA team for the hard work to complete the Audit.

**ITEM 8 – ACTION ITEMS**

- a. **Approval of Audited Financial Statements**

Danyel Sullivan-Marrero & Tim Westgate of Purvis Gray & Co. presented the Audited Financial Statements.

**MOTION:** Javier Cisneros, Fort Pierce, moved approval of the FY2025 external audit report

and audited financial statements. James Braddock, Wauchula, seconded the motion. Motion carried 7-0.

**b. Approval of FY 2026 risk inventory**

Veda Sharma, presented the FY 2026 Risk Inventory.

**MOTION:** Javier Cisneros, Fort Pierce, moved approval of FY 2026 Risk Inventory. Barbara Quiñones, Homestead, seconded the motion. Motion carried 7-0.

**c. Approval of Fuel Portfolio Risk Management Policy Update**

John Bradley presented the Fuel Portfolio Risk Management Policy update.

**MOTION:** Javier Cisneros, Fort Pierce, moved approval of the corrected Risk Management Policy - Appendix A Fuel Portfolio Management Policy. Barbara Quiñones, Homestead, seconded the motion. Motion carried 8-0.

**d. Approval of Procurement Policy Documentation**

Danyel Sullivan-Marrero presented the Procurement Policy Documentation.

**MOTION:** Javier Cisneros, Fort Pierce, moved approval of the revised Procurement Policy. James Braddock, Wauchula, seconded the motion. Motion carried 8-0.

**ITEM 9 – INFORMATION ITEMS**

**a. Review of Annual Insurance Report**

Rich Popp presented the Annual Insurance Report

**b. Annual IT Update**

Chris Gowder presented the Annual IT Update

**c. Planned Use of ARP Line of Credit**

Sena Mitchell presented the planned use of ARP Line of Credit.

**d. FY 2027 Budget Concepts**

Jason Wolfe presented the FY 2027 budget concepts

Barbara Quiñones, Homestead and Javier Cisneros, Fort Pierce, provided direction to staff to do a lump sum and take from reserves for the R & R balance and for funding Stanton and Tri-City Projects' shares of compensated absences and OPEB liabilities.

**ITEM 10 – REPORTS**

- a. Governance Letter SAS114

**ITEM 11 – COMMENTS**

Chair, Kevin Crawford, Kissimmee thanked the committee for its direction and guidance today.

**ITEM 12 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 2:54p.m.

Approved Date \_\_\_\_\_

RP/lj

**AGENDA ITEM 6 – CHAIRPERSON'S  
REMARKS**

**Finance Committee Meeting  
April 15, 2026**

**AGENDA ITEM 7 – CFO REPORT**

**Finance Committee Meeting  
April 15, 2026**

**AGENDA ITEM 8 – ACTION ITEMS**

- a. Approval of Debt Policy  
Modification**

**Finance Committee Meeting  
April 15, 2026**



# 8a – Approval of Debt Policy Modification

Finance Committee

April 15, 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**

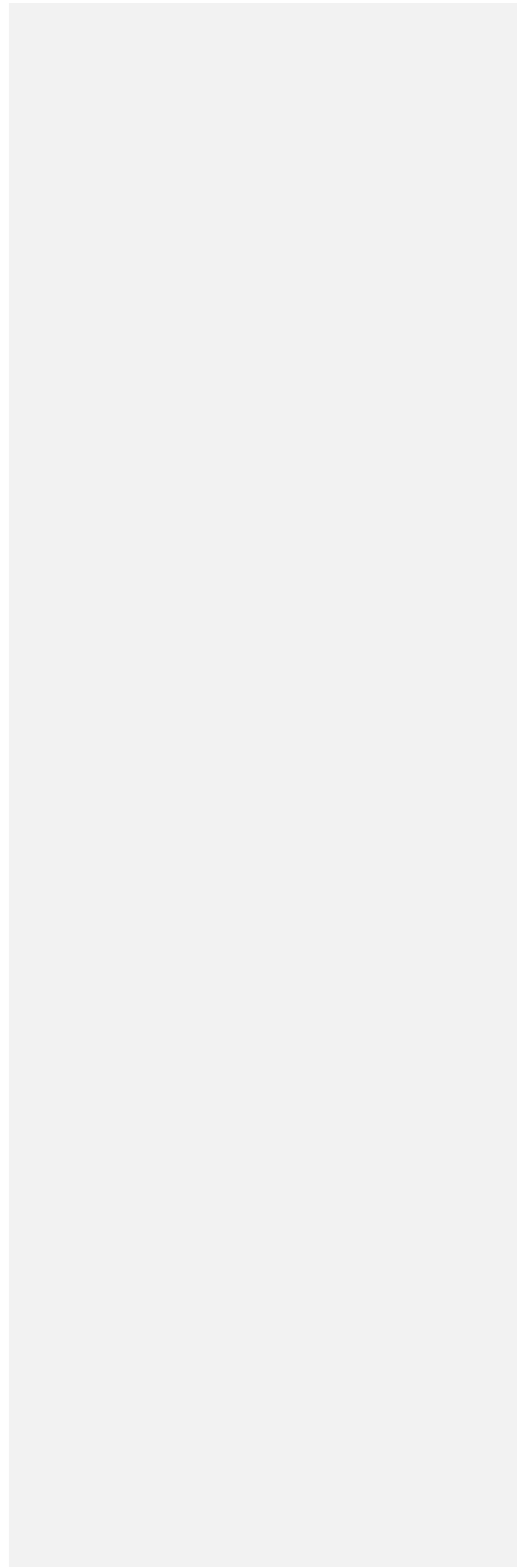
**DEBT RISK MANAGEMENT POLICY**  
(Continued)

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 9 – INFORMATION  
ITEMS**

- a. Review and Discussion of the  
Proposed FY 2027 Agency Budget**

**Finance Committee Meeting  
April 15, 2026**



# **9a – Review and Discussion of the Proposed FY 2027 Agency Budget**

Finance Committee

April 15, 2026

# FY 2027 Agency Baseline Budget 0.6% Increase

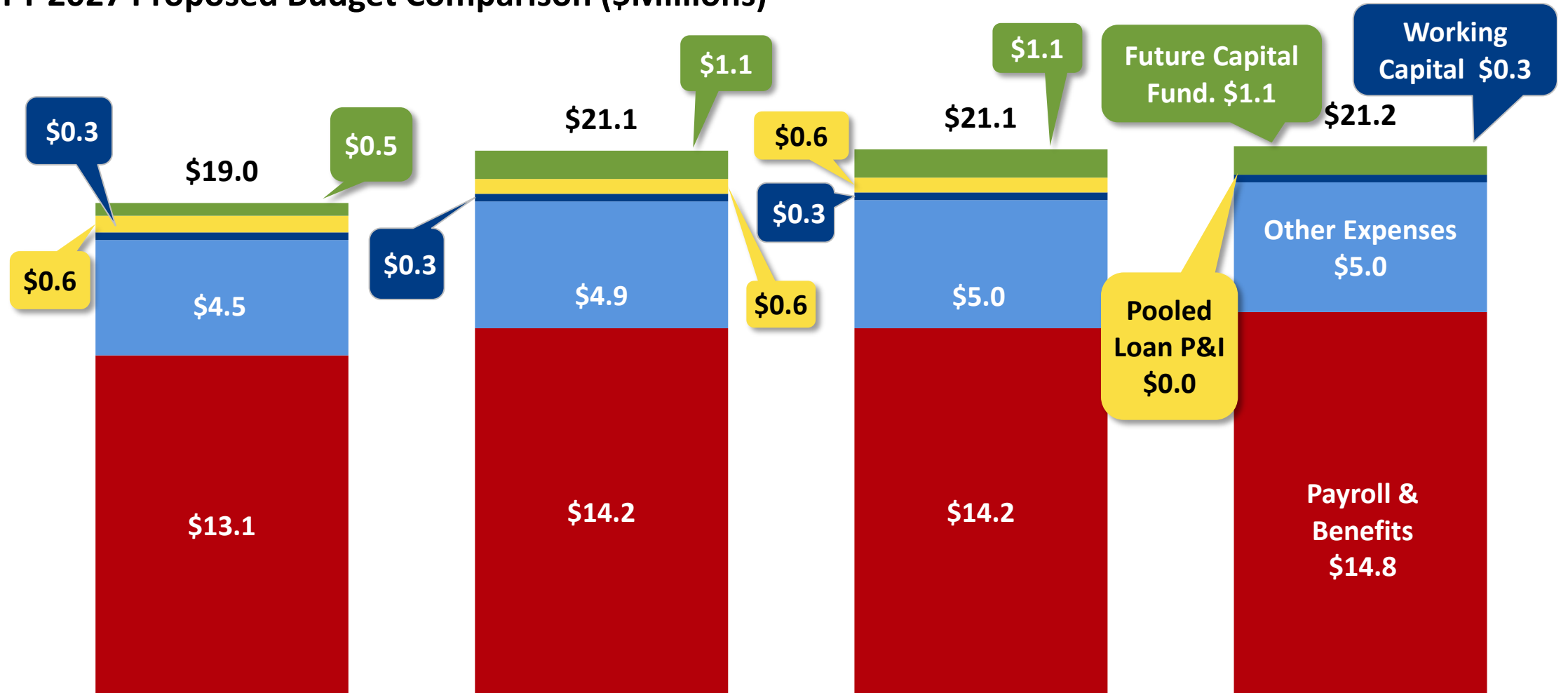
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- Annual merit budgeted 4%
- Healthcare insurance increase ~4%
- Budgeted capital expenses up \$1M from FY 2026 due to HVAC replacement
- Capital projects savings funding unchanged at \$1.1M
- Repayment of Pooled Loan saves \$570k in FY 2027

# FY 2027 Baseline Agency Budget 0.6% > Y/Y

*Higher Payroll & Benefits Costs Offset by Pooled Loan Payoff*

FY 2027 Proposed Budget Comparison (\$Millions)



# FY 2027 Key Payroll and Benefits Similar to Last Year

*Assumed Overall Payroll Increase of 4% Major Driver*

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- Payroll drivers:
  - Merit budgeted at 4%
  - Budgeted salary increase includes merits, promotions, market adjustments, bonuses, and repurposing
  - ~4% increase in health-related insurances

# Capital Investment in Agency Building

*Building HVAC/Cooling Replacement is Largest FY27 Capital Project*

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## FY 2027 Agency Capital Budget (Amounts in \$Thousands)

Item	Bldg. Maintenance	IT	Total
HVAC / Cooling	\$1,500		\$1,500
Generator	\$120		\$120
IT Hardware Replacement		\$75	\$75
<b>Total</b>	<b>\$1,620</b>	<b>\$75</b>	<b>\$1,695</b>

# Large Capital Expenses Coming in Next 5 Years

*Need to Keep Capital Funding > \$1M/Yr in Near Term*

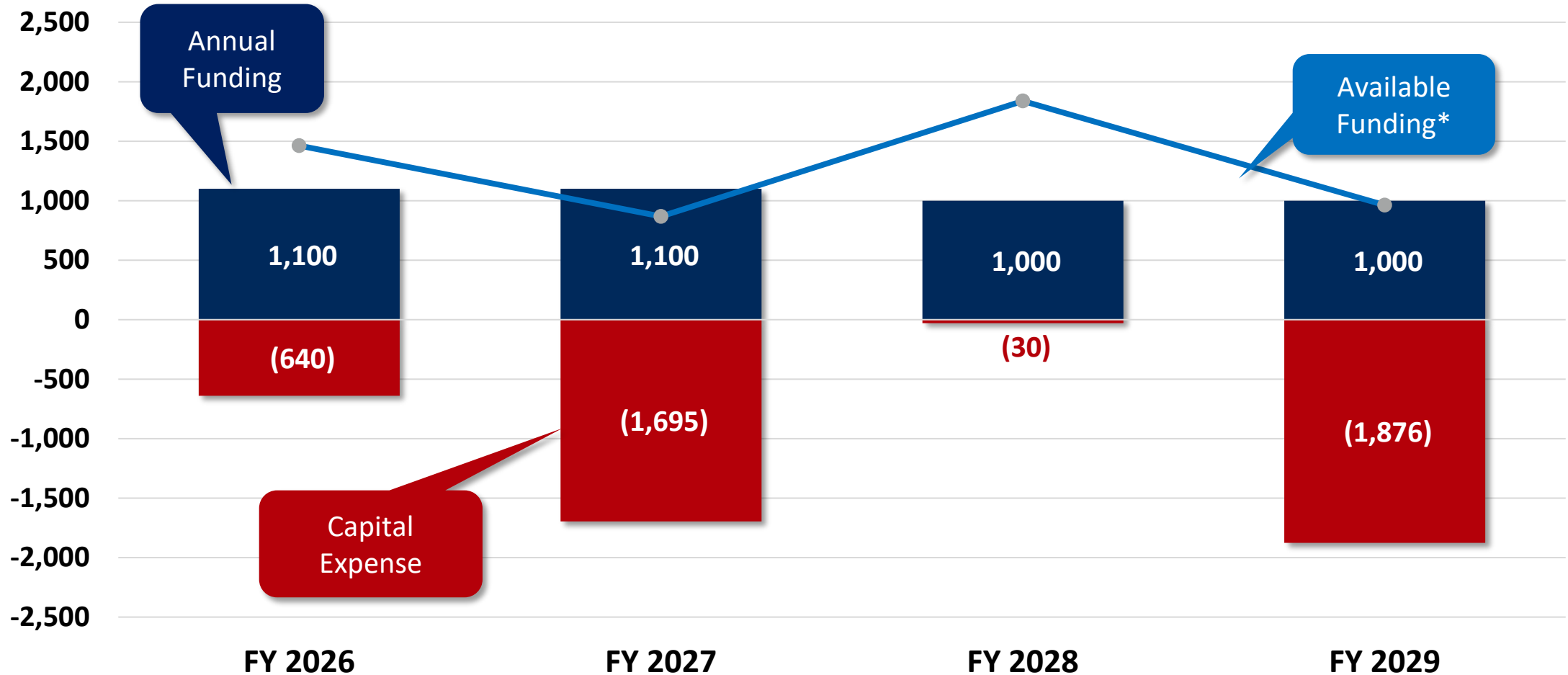
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- Agency Capital Savings Fund used to cover large building and IT capital projects
  - Similar to R&R funding for Projects' capital needs
  - Agency has no access to low-cost financing (no credit rating)
- Expected Significant Capital Items in next 5 years
  - HVAC system replacement projected ~ \$1.5M cost in 2027
  - IT Servers end of life in 2029, estimated cost ~\$1.7M
  - Generator, Parking Lot, and ongoing bldg. expenses

# \$3.6M Capital Forecasted for FY 2027 - 2029

*Budgeting \$1.1M Funding in FY 2027*

Projected Annual Agency Capital Funding/(Expenses) (\$Thousands)



\* Projected Capital Savings Fund balance at end of each fiscal year

# Other FY 2027 Budget Drivers

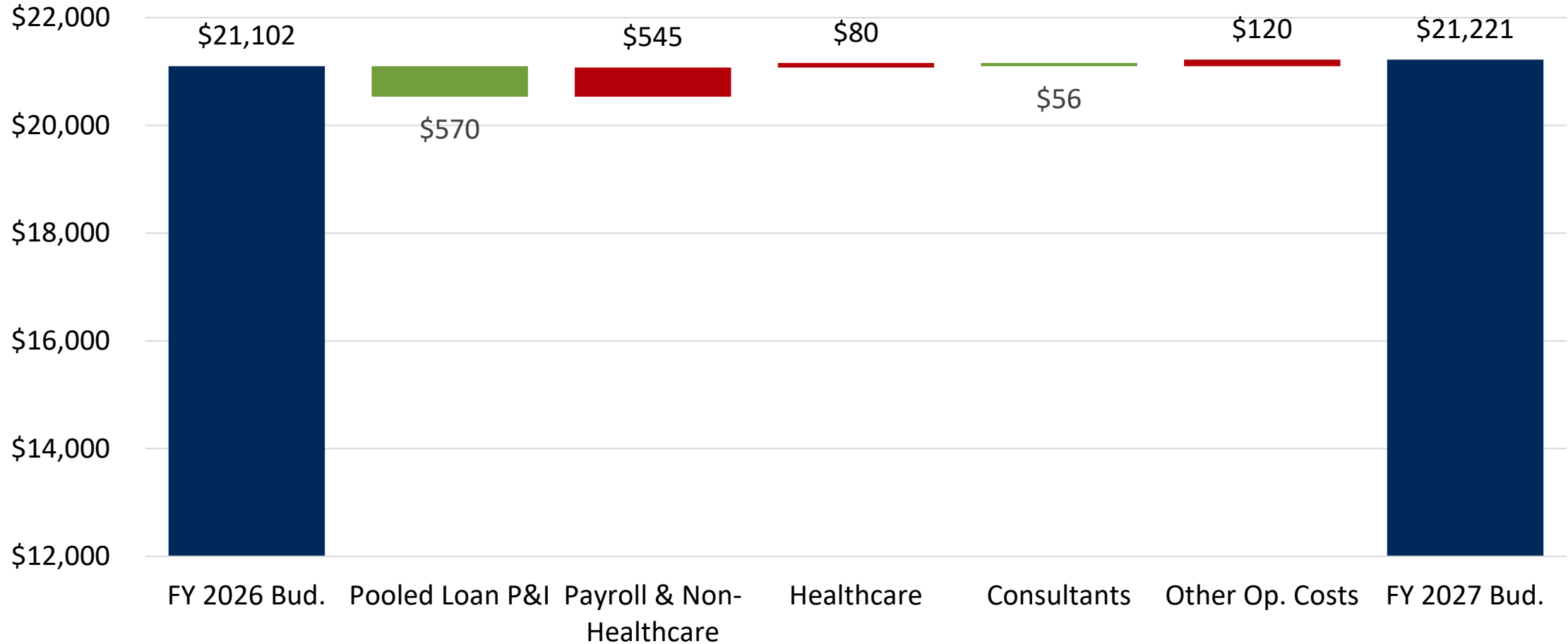
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- Consulting expenses down \$56k (~5%)
- Building services and repairs up ~\$70k (23%) to reflect actual spending levels
- Travel up \$43K (~9%) for plant visits and biennial St. Lucie audit
- Pooled Loan paid off in FY 2026 (1 year early), \$570k savings vs. current budget

# FY 2027 Budget < 1% > FY 2026 Budget

*Payroll & Benefits are Biggest Drivers offset by Pooled Loan P&I*

**FY 2027 Budget vs. FY 2026 Budget (\$Thousands)**



# Proposing to Better Align People and Function

*Puts Cost Responsibility for ARP-Focused Positions Directly to ARP*

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- With acquisition of 3 plants, ARP has 54 employees supporting plant operation
- Today 14 employees supporting ARP operations are in the Agency budget
- Proposing to budget these 14 positions directly in the ARP budget

# 14 Positions Proposed to Be Moved to ARP Budget

*All Are focused on supporting ARP Operations*

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- Proposed budget reflects direct allocation of payroll, benefits, and other costs (e.g., travel) for 14 employees to ARP
- Impact \$2.6M reduction in Agency budget
- Change only applies to direct allocation of costs; all employees remain under the current administrative policies and procedures
- Not adding new positions to the current Agency number

# Departments Moving to ARP

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- Fleet Generation
- Generation Support
- Generation Engineering
- Systems Operations

# Proposed Change Has Small Cost Impact on ARP

*Costs Proposed to Be Moved to ARP Already Effectively 100% Paid by ARP*

## Draft Allocated Agency Budget Costs by Project (\$000)

Project	FY 2027 Budget No Change		FY 2027 Budget Proposed		Incr./((Decr.) w/ Proposed Change	
Stanton	50	[1]	50	[1]	0	
Tri-City	50	[1]	50	[1]	0	
Stanton II	582		582		0	
St. Lucie	732		732		0	
Solar II	212	[2]	186	[2]	(26)	
<b>ARP</b>	<b>18,767</b>		<b>16,196</b>	<b>[4]</b>	<b>(2,570)</b>	<b>[5]</b>
Other [3]	827		827		0	
<b>Totals</b>	<b>21,221</b>		<b>18,624</b>		<b>(2,597)</b>	
<b>Total ARP Payments</b>	<b>18,767</b>		<b>16,196 + 2,597 = 18,793</b>	<b>[4+5]</b>	<b>26</b>	

[1] Reflects proposed post-retirement allocation.

[2] Reflects minimum allocation of 1% of total Agency budget for PPA-based Projects.

[3] Includes Member Dues, Interest Income, and other Misc. Revenues. Some of these amounts not yet finalized for budget purposes.

# Minimal Impact to ARP Costs w/ Proposed Change

*Directly Assigned Costs Higher, but Allocated Agency Costs Lower*

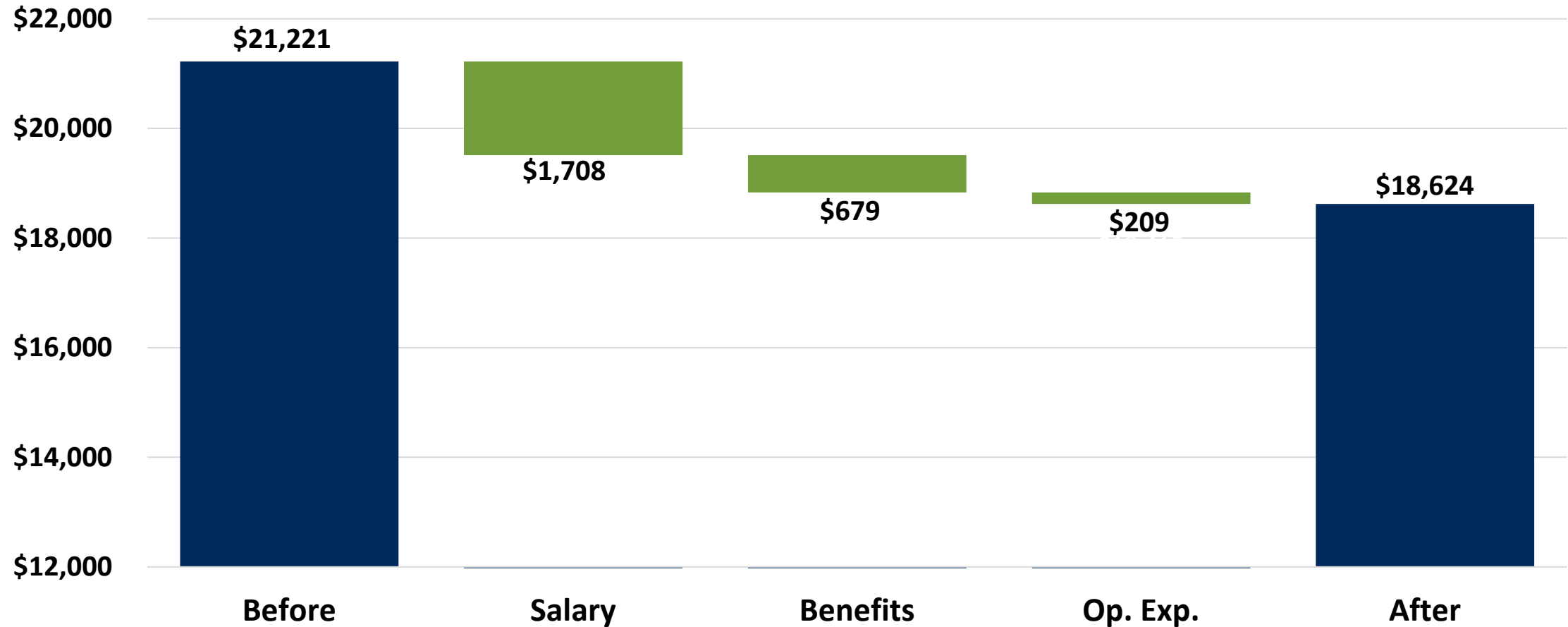
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- Contractual changes for Stanton result in Agency cost allocation to ARP increasing from 85% to 89%
- Proposed cost movement to ARP would move \$2.6M of cost directly to ARP
- Would be offset by \$2.6M lower Agency budget costs allocated to ARP
- Net overall cost impact to ARP projected ~\$26k

# Revised FY 2027 Agency Budget \$18.6 Million

*\$2.6M Total Proposed Move to ARP Budget*

FY 2027 Agency Budget Before & After Proposed Direct Cost Allocation to ARP (\$Thousands)



# Recommended Motion

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- No action requested. For information only.



## Agency Operating Budget - Fiscal Year 2027 Snapshot

	Actual Fiscal year	Actual Year to Date a/o Jan FY 2026	Estimate Fiscal year	Budget Fiscal year	Budget Fiscal year	FY 2026 Est Above/(Below)	FY 2027 Budget Above/(Below)	FY 2027 Budget Above/(Below)	FY 2026 Est Above/(Below)	FY 2027 Budget Above/(Below)
	FY 2025	FY 2026	FY 2026	FY 2026	FY 2027	FY 2025 Actual	FY 2026 Budget	FY 2025 Actual	FY 2026 Budget	FY 2026 Est.
Gross Payroll	9,490,825	2,975,489	10,231,801	10,231,801	10,692,232	740,976 7.8%	460,431 4.5%	1,201,407 12.7%	- 0.0%	460,431 4.5%
FICA & Medicare	624,405	208,270	782,733	782,733	817,956	158,328 25.4%	35,223 4.5%	193,551 31.0%	- 0.0%	35,223 4.5%
401A	963,729	329,450	1,023,180	1,023,180	1,069,223	59,451 6.2%	46,043 4.5%	105,494 10.9%	- 0.0%	46,043 4.5%
Long Term Care	13,802	5,045	13,959	13,959	12,986	157 1.1%	(973) -7.0%	(816) -5.9%	- 0.0%	(973) -7.0%
Healthcare Insurance	1,899,330	634,250	1,857,985	1,857,985	1,938,438	(41,345) -2.2%	80,453 4.3%	39,108 2.1%	- 0.0%	80,453 4.3%
Workers Comp Insurance	50,363	44,304	51,042	51,042	55,000	679 1.3%	3,958 7.8%	4,637 9.2%	- 0.0%	3,958 7.8%
Unemployment Compensation	1,302	-	2,500	2,500	2,500	1,198 92.0%	- 0.0%	1,198 92.0%	- 0.0%	- 0.0%
Recruit & Relocate	22,935	1,738	140,000	140,000	140,000	117,065 510.4%	- 0.0%	117,065 510.4%	- 0.0%	- 0.0%
Wellness	27,766	10,077	40,000	40,000	40,000	12,234 44.1%	- 0.0%	12,234 44.1%	- 0.0%	- 0.0%
Tuition Reimbursement	1,333	666	6,000	6,000	6,000	4,667 350.1%	- 0.0%	4,667 350.1%	- 0.0%	- 0.0%
Employee Recognition	8,879	1,653	10,000	10,000	10,000	1,121 12.6%	- 0.0%	1,121 12.6%	- 0.0%	- 0.0%
Employee Activities	14,098	6,692	18,000	18,000	18,000	3,902 27.7%	- 0.0%	3,902 27.7%	- 0.0%	- 0.0%
<b>Total Payroll &amp; Benefits</b>	<b>13,118,767</b>	<b>4,217,634</b>	<b>14,177,200</b>	<b>14,177,200</b>	<b>14,802,335</b>	<b>1,058,433 8.1%</b>	<b>625,135 4.4%</b>	<b>1,683,568 12.8%</b>	<b>- 0.0%</b>	<b>625,135 4.4%</b>
Employer Dues	253,212	110,834	266,440	265,140	270,140	13,228 5.2%	5,000 1.9%	16,928 6.7%	1,300 0.5%	3,700 1.4%
FCG-Florida Electric Power Coord Group	45,672	-	65,000	65,000	70,000	19,328 42.3%	5,000 7.7%	24,328 53.3%	- 0.0%	5,000 7.7%
Subscriptions	111,867	50,327	39,938	39,899	47,134	(71,929) -64.3%	7,235 18.1%	(64,733) -57.9%	39 0.1%	7,196 18.0%
Employee Dues	9,960	2,011	13,711	14,820	14,895	3,751 37.7%	75 0.5%	4,935 49.5%	(1,109) -7.5%	1,184 8.6%
Office Supplies	39,989	5,736	35,028	39,650	32,550	(4,961) -12.4%	(7,100) -17.9%	(7,439) -18.6%	(4,622) -11.7%	(2,478) -7.1%
Bank Charges	9,922	4,638	13,450	11,340	10,140	3,528 35.6%	(1,200) -10.6%	218 2.2%	2,110 18.6%	(3,310) -24.6%
Software	603,859	218,323	727,258	757,500	725,111	123,399 20.4%	(32,389) -4.3%	121,252 20.1%	(30,242) -4.0%	(2,147) -0.3%
Hardware	132,480	7,943	51,854	10,000	30,000	(80,626) -60.9%	20,000 200.0%	(102,480) -77.4%	41,854 418.5%	(21,854) -42.1%
Computer Supplies	134,882	8,195	19,257	15,000	15,000	(115,625) -85.7%	- 0.0%	(119,882) -88.9%	4,257 28.4%	(4,257) -22.1%
Postage	3,667	1,827	4,700	4,800	4,750	1,033 28.2%	(50) -1.0%	1,083 29.5%	(100) -2.1%	50 1.1%
Printing	11,711	2,217	16,000	16,000	16,000	4,289 36.6%	- 0.0%	4,289 36.6%	- 0.0%	- 0.0%
Telephone & Fax	64,622	18,799	58,463	52,160	58,460	(6,159) -9.5%	6,300 12.1%	(6,162) -9.5%	6,303 12.1%	(3) 0.0%
Phone Stipend	32,450	11,400	34,450	34,450	36,400	2,000 6.2%	1,950 5.7%	3,950 12.2%	- 0.0%	1,950 5.7%
Internet Charges	137,765	47,757	166,355	166,430	159,130	28,590 20.8%	(7,300) -4.4%	21,365 15.5%	(75) 0.0%	(7,225) -4.3%
GM's Contingency	-	-	200,000	200,000	200,000	200,000 N/A	- 0.0%	200,000 N/A	- 0.0%	- 0.0%
Business Travel	419,526	157,700	476,244	500,824	544,600	56,718 13.5%	43,776 8.7%	125,074 29.8%	(24,580) -4.9%	68,356 14.4%
Training	111,204	28,833	162,950	201,860	197,560	51,746 46.5%	(4,300) -2.1%	86,356 77.7%	(38,910) -19.3%	34,610 21.2%
Management Staff Training	91,727	6,277	40,000	40,000	40,000	(51,727) -56.4%	- 0.0%	(51,727) -56.4%	- 0.0%	- 0.0%
Meetings	56,210	16,934	55,618	63,325	71,400	(592) -1.1%	8,075 12.8%	15,190 27.0%	(7,707) -12.2%	15,782 28.4%
FMPA Board of Directors	58,768	-	46,000	46,000	50,000	(12,768) -21.7%	4,000 8.7%	(8,768) -14.9%	- 0.0%	4,000 8.7%
Readiness to Use Auto Allow. (7 Cars)	-	-	-	-	-	- N/A	- N/A	- N/A	- N/A	- N/A
All Other Operating Costs	32,507	4,651	76,968	76,800	76,900	44,461 136.8%	100 0.1%	44,393 136.6%	168 0.2%	(68) -0.1%
<b>Total Operating Expense</b>	<b>2,362,000</b>	<b>704,402</b>	<b>2,569,684</b>	<b>2,620,998</b>	<b>2,670,170</b>	<b>207,684 8.8%</b>	<b>49,172 1.9%</b>	<b>308,170 13.0%</b>	<b>(51,314) -2.0%</b>	<b>100,486 3.9%</b>
Lobbying	48,515	15,794	103,000	103,199	104,000	54,485 112.3%	801 0.8%	55,485 114.4%	(199) -0.2%	1,000 1.0%
Consultants	744,435	214,088	793,414	852,980	796,516	48,979 6.6%	(56,464) -6.6%	52,081 7.0%	(59,566) -7.0%	3,102 0.4%
Sponsorships	12,000	5,000	27,000	27,000	27,000	15,000 125.0%	- 0.0%	15,000 125.0%	- 0.0%	- 0.0%
Advertising	16,575	1,574	24,000	24,000	24,000	7,425 44.8%	- 0.0%	7,425 44.8%	- 0.0%	- 0.0%
Communications Projects & Special Events	22,847	163	29,000	29,800	29,300	6,153 26.9%	(500) -1.7%	6,453 28.2%	(800) -2.7%	300 1.0%
<b>Outside Services &amp; Consultants</b>	<b>844,372</b>	<b>236,619</b>	<b>976,414</b>	<b>1,036,979</b>	<b>980,816</b>	<b>132,042 15.6%</b>	<b>(56,163) -5.4%</b>	<b>136,444 16.2%</b>	<b>(60,565) -5.8%</b>	<b>4,402 0.5%</b>
Cyber & Property Insurance	132,591	45,540	156,131	155,232	151,071	23,540 17.8%	(4,161) -2.7%	18,480 13.9%	899 0.6%	(5,060) -3.2%
Excess Liability Insurance	555,538	197,778	633,200	633,200	634,400	77,662 14.0%	1,200 0.2%	78,862 14.2%	- 0.0%	1,200 0.2%
Auto Insurance	8,458	4,348	14,720	14,720	15,006	6,262 74.0%	286 1.9%	6,548 77.4%	- 0.0%	286 1.9%
Officers Liability Insurance	182,614	63,208	186,746	186,746	190,000	4,132 2.3%	3,254 1.7%	7,386 4.0%	- 0.0%	3,254 1.7%
Interest Expense Admin Building	164,003	18,754	51,982	51,982	-	(112,021) -68.3%	(51,982) -100.0%	(164,003) -100.0%	- 0.0%	(51,982) -100.0%



## Agency Operating Budget - Fiscal Year 2027 Snapshot

	Actual Fiscal year	Actual Year to Date a/o Jan FY 2026	Estimate Fiscal year	Budget Fiscal year	Budget Fiscal year	FY 2026 Est Above/(Below)	FY 2027 Budget Above/(Below)	FY 2027 Budget Above/(Below)	FY 2026 Est Above/(Below)	FY 2027 Budget Above/(Below)
	FY 2025	FY 2026	FY 2026	FY 2026	FY 2027	FY 2025 Actual	FY 2026 Budget	FY 2025 Actual	FY 2026 Budget	FY 2026 Est.
Utilities (Electric/Garbage/Water)	93,338	49,150	120,000	118,650	120,000	26,662 28.6%	1,350 1.1%	26,662 28.6%	1,350 1.1%	- 0.0%
Office Furniture	20,014	3,706	14,000	14,000	14,000	(6,014) -30.0%	- 0.0%	(6,014) -30.0%	- 0.0%	- 0.0%
Building Services	61,908	23,105	84,512	42,475	80,581	22,604 36.5%	38,106 89.7%	18,673 30.2%	42,037 99.0%	(3,931) -4.7%
Building & Equipment Repairs	194,004	44,945	131,150	114,150	144,940	(62,854) -32.4%	30,790 27.0%	(49,064) -25.3%	17,000 14.9%	13,790 10.5%
Alarm Systems	7,560	5,811	11,080	11,075	10,940	3,520 46.6%	(135) -1.2%	3,380 44.7%	5 0.0%	(140) -1.3%
Property Dues	4,629	3,822	6,087	6,350	6,720	1,458 31.5%	370 5.8%	2,091 45.2%	(263) -4.1%	633 10.4%
<b>Building, Maintenance, Equipment, &amp; Insurance</b>	<b>1,424,657</b>	<b>460,167</b>	<b>1,409,608</b>	<b>1,348,580</b>	<b>1,367,658</b>	<b>(15,049) -1.1%</b>	<b>19,078 1.4%</b>	<b>(56,999) -4.0%</b>	<b>61,028 4.5%</b>	<b>(41,950) -3.0%</b>
Capital	500,004	366,667	1,100,000	1,100,000	1,100,000	599,996 120.0%	- 0.0%	599,996 120.0%	- 0.0%	- 0.0%
Pooled Loan Principal	475,203	166,406	517,797	517,797	-	42,594 9.0%	(517,797) -100.0%	(475,203) -100.0%	- 0.0%	(517,797) -100.0%
Agency Working Capital	300,000	100,000	300,000	300,000	300,000	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%
<b>Balance Sheet Items</b>	<b>1,275,207</b>	<b>633,073</b>	<b>1,917,797</b>	<b>1,917,797</b>	<b>1,400,000</b>	<b>642,590 50.4%</b>	<b>(517,797) -27.0%</b>	<b>124,793 9.8%</b>	<b>- 0.0%</b>	<b>(517,797) -27.0%</b>
<b>Agency Expenses (Budget Based)</b>	<b>19,025,003</b>	<b>6,251,895</b>	<b>21,050,703</b>	<b>21,101,554</b>	<b>21,220,979</b>	<b>2,025,700 10.6%</b>	<b>119,425 0.6%</b>	<b>2,195,976 11.5%</b>	<b>(50,851) -0.2%</b>	<b>170,276 0.8%</b>



## Agency Operating Budget - Fiscal Year 2027

### Before & After Direct Allocation to ARP Snapshot

	Before Fiscal year FY 2027	After Fiscal year FY 2027	Variance Above/(Below)
Gross Payroll	10,692,232	8,984,359	(1,707,873) -16.0%
FICA & Medicare	817,956	679,017	(138,939) -17.0%
401A	1,069,223	863,880	(205,343) -19.2%
Long Term Care	12,986	10,982	(2,004) -15.4%
Healthcare Insurance	1,938,438	1,605,248	(333,190) -17.2%
Workers Comp Insurance	55,000	55,000	- 0.0%
Unemployment Compensation	2,500	2,500	- 0.0%
Recruit & Relocate	140,000	140,000	- 0.0%
Wellness	40,000	40,000	- 0.0%
Tuition Reimbursement	6,000	6,000	- 0.0%
Employee Recognition	10,000	10,000	- 0.0%
Employee Activities	18,000	18,000	- 0.0%
<b>Total Payroll &amp; Benefits</b>	<b>14,802,335</b>	<b>12,414,986</b>	<b>(2,387,349) -16.1%</b>
Employer Dues	270,140	270,140	- 0.0%
FCG-Florida Electric Power Coord Group	70,000	70,000	- 0.0%
Subscriptions	47,134	45,934	(1,200) -2.5%
Employee Dues	14,895	14,395	(500) -3.4%
Office Supplies	32,550	31,850	(700) -2.2%
Bank Charges	10,140	10,140	- 0.0%
Software	725,111	725,111	- 0.0%
Hardware	30,000	30,000	- 0.0%
Computer Supplies	15,000	15,000	- 0.0%
Postage	4,750	4,750	- 0.0%
Printing	16,000	16,000	- 0.0%
Telephone & Fax	58,460	58,460	- 0.0%
Phone Stipend	36,400	33,150	(3,250) -8.9%
Internet Charges	159,130	159,130	- 0.0%
GM's Contingency	200,000	200,000	- 0.0%
Business Travel	544,600	383,600	(161,000) -29.6%
Training	197,560	157,760	(39,800) -20.1%
Management Staff Training	40,000	40,000	- 0.0%
Meetings	71,400	68,400	(3,000) -4.2%
FMPA Board of Directors	50,000	50,000	- 0.0%
Readiness to Use Auto Allow. (7 Cars)	-	-	- N/A
All Other Operating Costs	76,900	76,900	- 0.0%
<b>Total Operating Expense</b>	<b>2,670,170</b>	<b>2,460,720</b>	<b>(209,450) -7.8%</b>



## Agency Operating Budget - Fiscal Year 2027

### Before & After Direct Allocation to ARP Snapshot

	Before Fiscal year FY 2027	After Fiscal year FY 2027	Variance Above/(Below)	
Lobbying	104,000	104,000	-	0.0%
Consultants	796,516	796,516	-	0.0%
Sponsorships	27,000	27,000	-	0.0%
Advertising	24,000	24,000	-	0.0%
Communications Projects & Special Events	29,300	29,300	-	0.0%
<b>Outside Services &amp; Consultants</b>	<b>980,816</b>	<b>980,816</b>	-	<b>0.0%</b>
Cyber & Property Insurance	151,071	151,071	-	0.0%
Excess Liability Insurance	634,400	634,400	-	0.0%
Auto Insurance	15,006	15,006	-	0.0%
Officers Liability Insurance	190,000	190,000	-	0.0%
Interest Expense Admin Building	-	-	-	N/A
Utilities (Electric/Garbage/Water)	120,000	120,000	-	0.0%
Office Furniture	14,000	14,000	-	0.0%
Building Services	80,581	80,581	-	0.0%
Building & Equipment Repairs	144,940	144,940	-	0.0%
Alarm Systems	10,940	10,940	-	0.0%
Property Dues	6,720	6,720	-	0.0%
<b>Building, Maintenance, Equipment, &amp; Insurance</b>	<b>1,367,658</b>	<b>1,367,658</b>	-	<b>0.0%</b>
Capital	1,100,000	1,100,000	-	0.0%
Pooled Loan Principal	-	-	-	N/A
Agency Working Capital	300,000	300,000	-	0.0%
<b>Balance Sheet Items</b>	<b>1,400,000</b>	<b>1,400,000</b>	-	<b>0.0%</b>
<b>Agency Expenses (Budget Based)</b>	<b>21,220,979</b>	<b>18,624,180</b>	<b>(2,596,799)</b>	<b>-12.2%</b>



## Agency Operating Budget - Fiscal Year 2027 Snapshot

	Actual Fiscal year	Actual Year to Date a/o Jan	Estimate Fiscal year	Budget Fiscal year	Budget Fiscal year	FY 2026 Est Above/(Below)	FY 2027 Budget Above/(Below)	FY 2027 Budget Above/(Below)	FY 2026 Est Above/(Below)	FY 2026 Est Above/(Below)
	FY 2025	FY 2026	FY 2026	FY 2026	FY 2027	FY 2025 Actual	FY 2026 Budget	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Administration	452,732	140,088	608,500	604,300	642,800	155,768 34.4%	38,500 6.4%	190,068 42.0%	4,200 0.7%	34,300 5.6%
<b>Total Executive Division</b>	<b>452,732</b>	<b>140,088</b>	<b>608,500</b>	<b>604,300</b>	<b>642,800</b>	<b>155,768 34.4%</b>	<b>38,500 6.4%</b>	<b>190,068 42.0%</b>	<b>4,200 0.7%</b>	<b>34,300 5.6%</b>
Human Resources/Payroll	13,401,789	4,253,536	14,452,110	14,452,110	15,075,235	1,050,321 7.8%	623,125 4.3%	1,673,446 12.5%	- 0.0%	623,125 4.3%
Member Services	318,119	143,783	457,500	457,500	474,100	139,381 43.8%	16,600 3.6%	155,981 49.0%	- 0.0%	16,600 3.6%
Resource and Strategic Planning	34,538	19,274	27,500	27,500	28,000	(7,038) -20.4%	500 1.8%	(6,538) -18.9%	- 0.0%	500 1.8%
Building Maintenance	897,924	499,723	1,488,180	1,428,300	1,431,350	590,256 65.7%	3,050 0.2%	533,426 59.4%	59,880 4.2%	(56,830) -3.8%
<b>Total HR &amp; Shared Services Division</b>	<b>14,652,370</b>	<b>4,916,316</b>	<b>16,425,290</b>	<b>16,365,410</b>	<b>17,008,685</b>	<b>1,772,920 12.1%</b>	<b>643,275 3.9%</b>	<b>2,356,315 16.1%</b>	<b>59,880 0.4%</b>	<b>583,395 3.6%</b>
Information Services	911,574	243,492	776,505	779,440	842,590	(135,069) -14.8%	63,150 8.1%	(68,984) -7.6%	(2,935) -0.4%	66,085 8.5%
Cyber Security	24,185	11,383	13,000	15,000	15,000	(11,185) -46.2%	- 0.0%	(9,185) -38.0%	(2,000) -13.3%	2,000 15.4%
System Operations	7,913	3,769	14,094	14,525	17,400	6,181 78.1%	2,875 19.8%	9,487 119.9%	(431) -3.0%	3,306 23.5%
<b>Total IT/OT and Cyber Security Division</b>	<b>943,672</b>	<b>258,644</b>	<b>803,599</b>	<b>808,965</b>	<b>874,990</b>	<b>(140,073) -14.8%</b>	<b>66,025 8.2%</b>	<b>(68,682) -7.3%</b>	<b>(5,366) -0.7%</b>	<b>71,391 8.9%</b>
Power Resources	54,083	43,047	19,500	21,750	21,500	(34,583) -63.9%	(250) -1.1%	(32,583) -60.2%	(2,250) -10.3%	2,000 10.3%
Fleet Generation	86,315	31,495	69,900	71,900	98,700	(16,415) -19.0%	26,800 37.3%	12,385 14.3%	(2,000) -2.8%	28,800 41.2%
Generation Support	40,573	12,869	45,115	51,550	50,750	4,542 11.2%	(800) -1.6%	10,177 25.1%	(6,435) -12.5%	5,635 12.5%
Generation Engineering	37,773	13,245	44,750	44,750	56,750	6,977 18.5%	12,000 26.8%	18,977 50.2%	- 0.0%	12,000 26.8%
<b>Total Power Resources Division</b>	<b>218,744</b>	<b>100,656</b>	<b>179,265</b>	<b>189,950</b>	<b>227,700</b>	<b>(39,479) -18.0%</b>	<b>37,750 19.9%</b>	<b>8,956 4.1%</b>	<b>(10,685) -5.6%</b>	<b>48,435 27.0%</b>
CFO Finance	7,068	2,756	9,050	30,450	17,500	1,982 28.0%	(12,950) -42.5%	10,432 147.6%	(21,400) -70.3%	8,450 93.4%
Accounting	238,276	112,952	264,466	266,900	252,557	26,190 11.0%	(14,343) -5.4%	14,281 6.0%	(2,434) -0.9%	(11,909) -4.5%
Treasury	1,011,844	294,657	998,949	1,040,419	427,319	(12,895) -1.3%	(613,100) -58.9%	(584,525) -57.8%	(41,470) -4.0%	(571,630) -57.2%
Risk Management	953,747	358,634	1,076,962	1,077,163	1,083,577	123,215 12.9%	6,414 0.6%	129,830 13.6%	(201) 0.0%	6,615 0.6%
Financial Planning and Analysis	5,314	1,968	10,870	20,015	17,465	5,556 104.6%	(2,550) -12.7%	12,151 228.7%	(9,145) -45.7%	6,595 60.7%
Contract Compliance	21,342	7,943	32,881	29,530	51,250	11,539 54.1%	21,720 73.6%	29,908 140.1%	3,351 11.3%	18,369 55.9%
<b>Total Finance Division</b>	<b>2,237,591</b>	<b>778,910</b>	<b>2,393,178</b>	<b>2,464,477</b>	<b>1,849,668</b>	<b>155,587 7.0%</b>	<b>(614,809) -24.9%</b>	<b>(387,923) -17.3%</b>	<b>(71,299) -2.9%</b>	<b>(543,510) -22.7%</b>
Public Relations	210,640	30,299	339,000	344,800	344,775	128,360 60.9%	(25) 0.0%	134,135 63.7%	(5,800) -1.7%	5,775 1.7%
<b>Total Public Relations &amp; External Affairs Division</b>	<b>210,640</b>	<b>30,299</b>	<b>339,000</b>	<b>344,800</b>	<b>344,775</b>	<b>128,360 60.9%</b>	<b>(25) 0.0%</b>	<b>134,135 63.7%</b>	<b>(5,800) -1.7%</b>	<b>5,775 1.7%</b>
Legal	235,205	23,251	178,973	194,599	186,656	(56,232) -23.9%	(7,943) -4.1%	(48,549) -20.6%	(15,626) -8.0%	7,683 4.3%
Regulatory Compliance	70,338	2,745	69,300	75,455	77,205	(1,038) -1.5%	1,750 2.3%	6,867 9.8%	(6,155) -8.2%	7,905 11.4%
Transmission Planning	3,711	986	53,600	53,600	8,500	49,889 1344.4%	(45,100) -84.1%	4,789 129.0%	- 0.0%	(45,100) -84.1%
<b>Total Legal, Compliance, &amp; Trans. Plan. Division</b>	<b>309,254</b>	<b>26,982</b>	<b>301,873</b>	<b>323,654</b>	<b>272,361</b>	<b>(7,381) -2.4%</b>	<b>(51,293) -15.8%</b>	<b>(36,893) -11.9%</b>	<b>(21,781) -6.7%</b>	<b>(29,512) -9.8%</b>
<b>Agency Expenses (Budget Based)</b>	<b>19,025,003</b>	<b>6,251,895</b>	<b>21,050,705</b>	<b>21,101,554</b>	<b>21,220,979</b>	<b>2,025,702 10.6%</b>	<b>119,425 0.6%</b>	<b>2,195,976 11.5%</b>	<b>(50,849) -0.2%</b>	<b>170,274 0.8%</b>

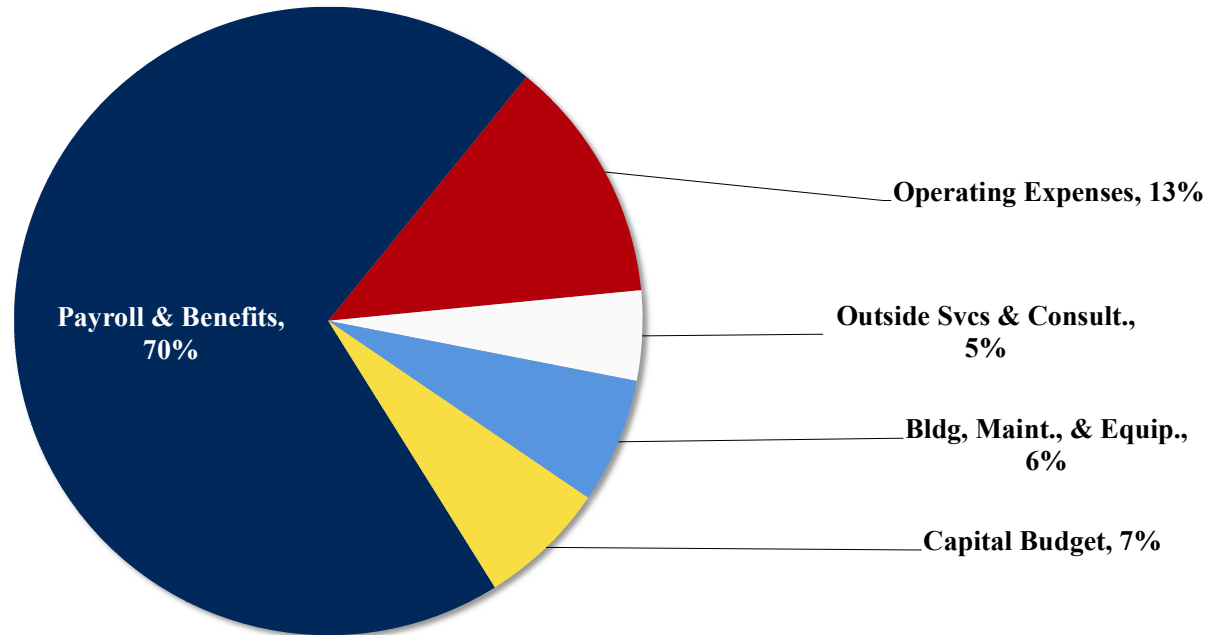
**Florida Municipal Power Agency**  
**Agency Operating Budget - Fiscal Year 2027**  
**Whole Thousands (US\$)**

**Cost Summary by Department**

Department	Manager	Dept #	FY26 Budget	FY27 Budget	Bdgt Increase/ [Decrease]	% Change
<b>I. Executive Division</b>						
Administration	Williams, J.	AGN	\$ 604	\$ 643	\$ 39	6%
<b>Total Executive Division</b>			<b>604</b>	<b>643</b>	<b>39</b>	<b>6%</b>
<b>II. Human Resources and Shared Services Division</b>						
Human Resources/Payroll	Adams, S.	HRD	14,452	15,075	623	4%
Member Services	McCleary, M	MBR	458	474	17	4%
Resource and Strategic Planning	Nowakhtar, N.	PLN	28	28	1	2%
Building Maintenance	Yeargin, A.	ADM	1,428	1,431	3	0%
<b>Total Human Resources and Shared Services Division</b>			<b>16,365</b>	<b>17,009</b>	<b>643</b>	<b>4%</b>
<b>III. IT/OT and System Operations</b>						
Information Services	Hanson, J.	ITD	779	843	63	8%
Cyber Security	Hanson, J.	CBR	15	15	-	0%
System Operations	Mesa, H.	OPS	15	17	3	20%
<b>Total IT/OT and Cyber Security Division</b>			<b>809</b>	<b>875</b>	<b>66</b>	<b>8%</b>
<b>IV. Power Resources Division</b>						
Power Resources	Rutter, K.	PWR	22	22	(0)	(1%)
Fleet Generation	Schumann, D.	GEN	72	99	27	37%
Generation Support	Noon, J.	GES	52	51	(1)	(2%)
Generation Engineering	Butters, J.	GEE	45	57	12	27%
<b>Total Power Resources Division</b>			<b>190</b>	<b>228</b>	<b>38</b>	<b>20%</b>
<b>V. Finance Division</b>						
CFO Finance	Popp, R.	FIN	30	18	(13)	(43%)
Accounting	Sullivan-Marrero, D.	ACC	267	253	(14)	(5%)
Treasury	Mitchell, S.	TSY	1,040	427	(613)	(59%)
Risk Management	Nunez, E.	RSK	1,077	1,084	6	1%
Financial Planning and Analysis	Wolfe, J.	FPA	20	17	(3)	(13%)
Contract Compliance	Woerner, L.	CNT	30	51	22	74%
<b>Total Finance Division</b>			<b>2,464</b>	<b>1,850</b>	<b>(615)</b>	<b>(25%)</b>
<b>VI. Public Relations &amp; External Affairs</b>						
Public Relations	Schumann, S.	PRD	345	345	(0)	(0%)
<b>Total Public Relations &amp; External Affairs Division</b>			<b>345</b>	<b>345</b>	<b>(0)</b>	<b>(0%)</b>
<b>VII. Legal, Compliance, &amp; Transmission Planning Division</b>						
Legal	Finklea, J.	LGL	195	187	(8)	(4%)
Regulatory Compliance	O'Hagan, D.	REG	75	77	2	2%
Transmission Planning	O'Hagan, D.	TPS	54	9	(45)	(84%)
<b>Total Legal, Compliance, &amp; Transmission Planning Division</b>			<b>324</b>	<b>272</b>	<b>(51)</b>	<b>(16%)</b>
<b>VIII. Balance Sheet Items - To be Capitalized</b>						
			300	300	-	0%
<b>Grand Total</b>			<b>\$ 21,102</b>	<b>\$ 21,221</b>	<b>\$ 119</b>	<b>0.6%</b>

## Florida Municipal Power Agency Operating Budget - Fiscal Year 2027

### Total Agency Expenses



In \$Millions

Payroll & Benefits		Operating Expenses		Outside Svcs & Consultants		Bldg, Maint., & Equip.		Capital Budget	
Payroll	\$10.692	Dues & Subscrip.	\$0.317	Consulting Fees	\$0.797	Bldg Svc & Repair	\$0.226	Capital Expenditures	\$1.100
FICA	0.818	Office Supplies	0.033	Lobbying	0.104	Insurance Premiums	0.990	Pooled Loan P&I	\$0.000
401A Contributions	1.069	BOD	0.050	Advertising	0.024	Utilities	0.120	Working Capital	\$0.300
Med/Life Insur./OPEB	1.938	Telephone & Internet	0.254	Comm Proj & Sp. Events	0.029	Office Furniture	0.014		
Wrkm Comp	0.055	Mtgs., Confs, Trvl, Trng	0.854	Sponsorships	0.027	Alarm System	0.011	Total	\$1.400
Recruit & Reloc.	0.140	Fl Elec. Power Coord	0.070			Property Dues	0.007	<b>\$21.221</b>	
LTC	0.013	Contingency	0.200						
Employee EOC & Wellness	0.076	Software	0.725						
		Hardware	0.030						
		Other Operating Costs	0.138						
Total	\$14.802	Total	\$2.670	Total	\$0.981	Total	\$1.368		

## Overview of FMPA's Agency Budget

### FY 2027 Budget VS. FY 2026 Budget

Whole Thousands (US\$)

Change in Budget from prior year	What is driving this change							
Budget FY 26	\$	21,102			(1) Payroll	\$	496	415%
Budget FY 27	\$	21,221			(2) Benefits	\$	129	108%
					(3) Operating Expense	\$	49	41%
					(4) Outside Services	\$	(56)	-47%
					(5) Building Maintenance	\$	19	16%
					(6) Balance Sheet Items	\$	(518)	-434%
Difference	\$	119	0.6%			\$	119	100%

#### **(1) Payroll**

Payroll	\$	460
Payroll Taxes	\$	35
	\$	496

#### **(4) Outside Services**

Consultants	\$	(56)
Communications Projects & Special Events	\$	(1)
Other Miscellaneous Costs	\$	1
	\$	(56)

#### **(2) Benefits**

Healthcare Insurance	\$	80
401A Contributions	\$	46
Other Miscellaneous Costs	\$	3
	\$	129

#### **(5) Building Maintenance & Equipment**

Cyber & Property Insurance	\$	(4)
Excess Liability Insurance	\$	1
PLoan Interest	\$	(52)
Building & Equipment Repairs	\$	31
Other Miscellaneous Costs	\$	43
	\$	19

#### **(3) Operating Expense**

Bank Charges	\$	(1)
Software	\$	(32)
Hardware	\$	20
Internet Charges	\$	(7)
Business Travel	\$	44
Training	\$	(4)
Other Miscellaneous Costs	\$	31
	\$	49

#### **(6) Balance Sheet Items**

Capital Expenditures	\$	-
Working Capital	\$	-
PLoan Principal	\$	(518)
	\$	(518)

## Florida Municipal Power Agency FY2026 VS. FY2027 Capital Budgets

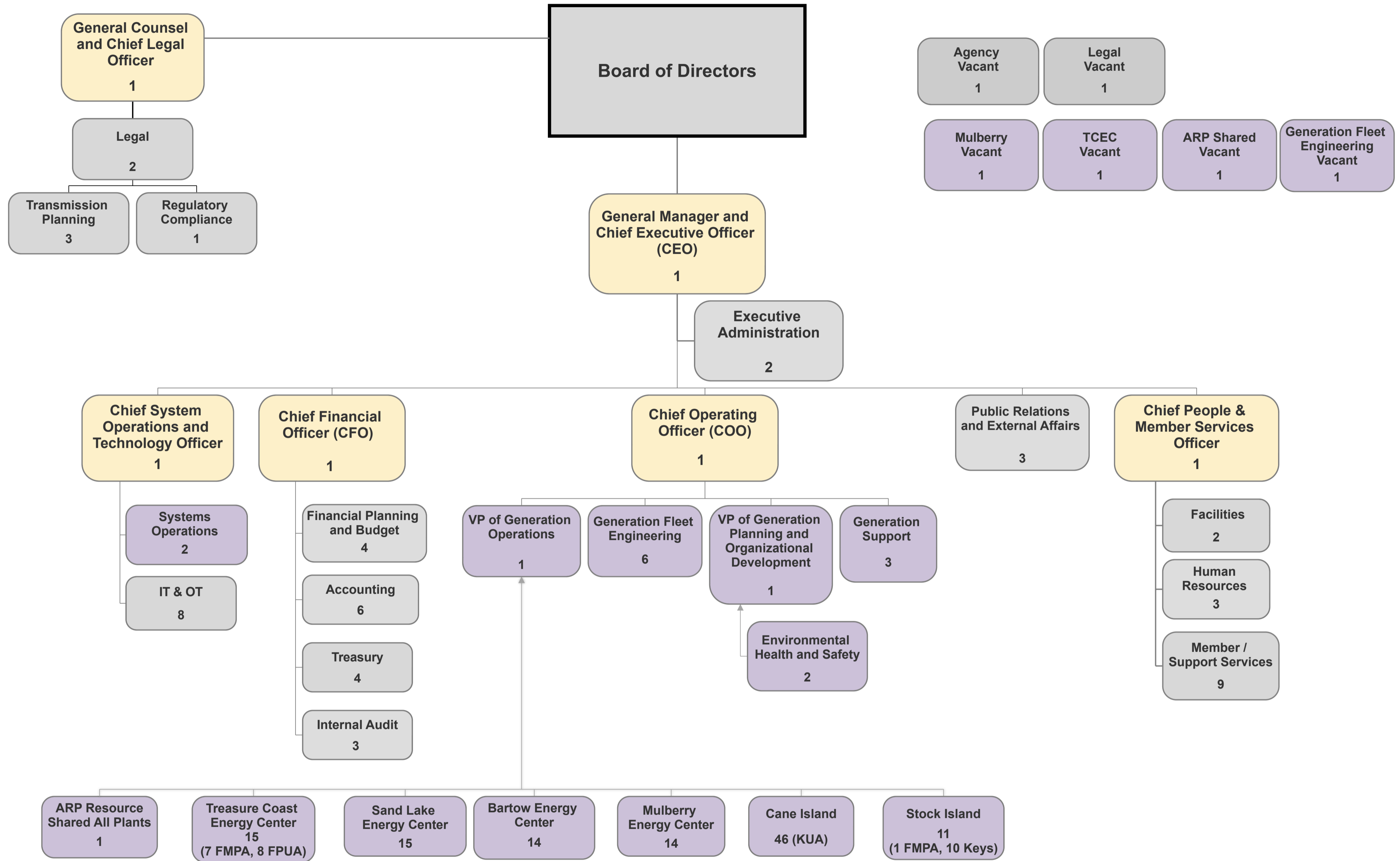
### **Capital Budget for FY2026**

<b>Building Maintenance</b>	<u>Total</u>	
Window Replacement		550,000
Cabinet Replacement		50,000
<b>Hardware/Software</b>		
Laptop Replacement		40,000
<b>Total Agency Capital Budget FY2026</b>		<b><u>640,000</u></b>

### **Capital Budget for FY2027**

<b>Building Maintenance</b>	<u>Total</u>	
HVAC Replacement		1,500,000
Generator		120,000
<b>Hardware/Software</b>		
IT Hardware Replacement		75,000
<b>Total Agency Capital Budget FY2026</b>		<b><u>1,695,000</u></b>

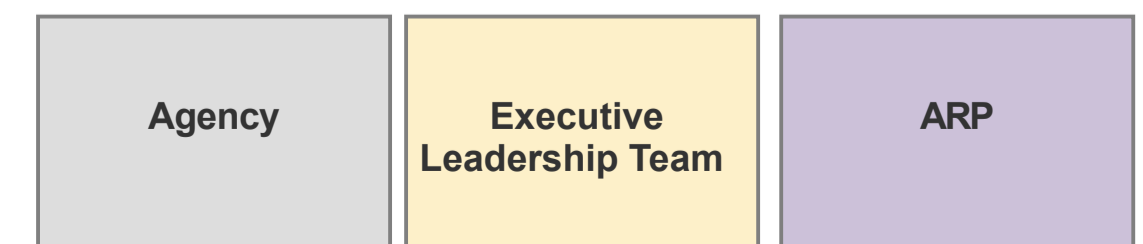
# FMPA FY27 Agency and ARP Organization Chart



Number of Current Agency Positions FY 2026	
Full Time	70
Part Time	1
Intern	1
<b>Total</b>	<b>72</b>

Number of Proposed Agency Positions FY 2027	
Full Time	57
Part Time	1
Intern	0
<b>Total</b>	<b>58</b>

Number of Proposed ARP Positions FY 2027	
Full Time	134
Part Time	0
Intern	1
<b>Total</b>	<b>135</b>



\*(3) of the 70 Full Time Positions are Vacant

## AGENCY PROPOSED FY 2027 SALARY RANGES

Job Title	Market Grade	Min	Mid	Max
Support Services Specialist	2	\$ 44,200	\$ 57,460	\$ 70,720
Plant Report and Document Administrator *	3	\$ 53,924	\$ 70,101	\$ 86,278
Facilities Maintenance Technician	3	\$ 53,924	\$ 70,101	\$ 86,278
Accounts Payable Coordinator	3	\$ 53,924	\$ 70,101	\$ 86,278
Power Plant Analyst *	3	\$ 53,924	\$ 70,101	\$ 86,278
Human Resources Coordinator	4	\$ 57,159	\$ 74,307	\$ 91,455
Office Manager and Paralegal	4	\$ 57,159	\$ 74,307	\$ 91,455
Executive Assistant Support Coordinator	6	\$ 68,534	\$ 89,094	\$ 109,655
Facilities Supervisor	6	\$ 68,534	\$ 89,094	\$ 109,655
Member and Support Services Supervisor	6	\$ 68,534	\$ 89,094	\$ 109,655
Information Technology Support Specialist	6	\$ 68,534	\$ 89,094	\$ 109,655
Lead IT Support Specialist	7	\$ 75,388	\$ 98,004	\$ 120,620
Benefits and Wellness Coordinator	7	\$ 75,388	\$ 98,004	\$ 120,620
Auditor II	8	\$ 83,680	\$ 108,784	\$ 133,888
Accountant III	8	\$ 83,680	\$ 108,784	\$ 133,888
Associate Transmission Planning Engineer	8	\$ 83,680	\$ 108,784	\$ 133,888
Environmental Engineer *	8	\$ 83,680	\$ 108,784	\$ 133,888
Financial and Data Analyst II	8	\$ 83,680	\$ 108,784	\$ 133,888
Treasury Analyst & Cash Manager	8	\$ 83,680	\$ 108,784	\$ 133,888
Network Administrator	8	\$ 83,680	\$ 108,784	\$ 133,888
Procurement Lead	8	\$ 83,680	\$ 108,784	\$ 133,888
Human Resources Supervisor	9	\$ 92,048	\$ 119,663	\$ 147,277
Generation Support Supervisor *	9	\$ 92,048	\$ 119,663	\$ 147,277
Cloud Systems Administrator	9	\$ 92,048	\$ 119,663	\$ 147,277
Senior Public Relations Specialist	9	\$ 92,048	\$ 119,663	\$ 147,277
Systems and Support Supervisor	9	\$ 92,048	\$ 119,663	\$ 147,277
Budget and Financial Analyst III	9	\$ 92,048	\$ 119,663	\$ 147,277
Investment & Energy Trading Specialist	9	\$ 92,048	\$ 119,663	\$ 147,277
Transmission Planning Engineer	9	\$ 92,048	\$ 119,663	\$ 147,277
Assistant Treasurer- Debt/Insurance	10	\$ 99,412	\$ 129,236	\$ 159,059
Senior System Operations Analyst *	10	\$ 99,412	\$ 129,236	\$ 159,059
Manager of Strategic and System Planning	10	\$ 99,412	\$ 129,236	\$ 159,059
Assistant Controller	11	\$ 107,365	\$ 139,575	\$ 171,784
Energy Business Strategist	11	\$ 107,365	\$ 139,575	\$ 171,784
Executive Assistant to CEO/Asst. Sec. Bd. Dir	11	\$ 107,365	\$ 139,575	\$ 171,784
Infrastructure Systems Administrator	11	\$ 107,365	\$ 139,575	\$ 171,784
Power Generation Mechanical Engineer *	11	\$ 107,365	\$ 139,575	\$ 171,784
Cybersecurity & Network Operations Supervisor	11	\$ 107,365	\$ 139,575	\$ 171,784
Senior Regulatory Compliance Specialist	11	\$ 107,365	\$ 139,575	\$ 171,784
Treasury Manager	11	\$ 107,365	\$ 139,575	\$ 171,784

Job Title	Market Grade	Min	Mid	Max
EHS Manager *	11	\$ 107,365	\$ 139,575	\$ 171,784
Audit Manager	12	\$ 118,102	\$ 153,532	\$ 188,963
Controller	12	\$ 118,102	\$ 153,532	\$ 188,963
IT/OT Manager	12	\$ 118,102	\$ 153,532	\$ 188,963
EMS/Scada/P&C Engineer	12	\$ 118,102	\$ 153,532	\$ 188,963
Engineering Services Manager	12	\$ 118,102	\$ 153,532	\$ 188,963
Manager of Member Services Development	12	\$ 118,102	\$ 153,532	\$ 188,963
Transmission Planning Supervisor	13	\$ 129,912	\$ 168,885	\$ 207,859
System Operations Manager *	13	\$ 129,912	\$ 168,885	\$ 207,859
Senior Manager of Member Services	13	\$ 129,912	\$ 168,885	\$ 207,859
Senior Power Generation I & C Engineer *	13	\$ 129,912	\$ 168,885	\$ 207,859
Public Relations and External Affairs Manager	13	\$ 129,912	\$ 168,885	\$ 207,859
Senior Power Generation Electrical Engineer *	13	\$ 129,912	\$ 168,885	\$ 207,859
Financial Planning Rates Budget and Fuels Director	14	\$ 142,903	\$ 185,774	\$ 228,645
Generation Fleet Engineering Director *	15	\$ 157,193	\$ 204,351	\$ 251,509
Deputy General Counsel and Manager of Regulatory	16	\$ 163,481	\$ 228,873	\$ 294,266
Member Services Strategic Planning & Analytics Vice President	16	\$ 163,481	\$ 228,873	\$ 294,266
Chief Financial Officer, CFO	17	\$ 188,003	\$ 263,204	\$ 338,406
Chief People and Member Services Officer	17	\$ 188,003	\$ 263,204	\$ 338,406
Chief System Operations and Technology Officer	17	\$ 188,003	\$ 263,204	\$ 338,406
Chief Operating Officer, COO	18	\$ 216,204	\$ 302,685	\$ 389,166

\* Positions proposed to be moved to ARP budget (same salary ranges apply)

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Accounting	921-240-AGENCY-ACC-000	Office Supplies	211	203	301	0	0	0	0
	405-200-AGENCY-ACC-000	Amortization Expense	0	0	10,007	0	0	0	0
	427-200-AGENCY-ACC-000	SBITA - Interest Expense	0	0	202	0	0	0	0
	921-670-AGENCY-ACC-000	Travel	2,122	628	2,489	500	682	500	0
	921-671-AGENCY-ACC-000	Meetings	979	274	0	0	0	0	0
	921-701-AGENCY-ACC-000	Late Fees	0	0	209	0	74	0	0
	923-120-AGENCY-ACC-000	Financial Consultant	10,750	10,750	24,500	24,000	23,250	3,100	(20,900)
	921-910-AGENCY-ACC-000	Software Purchases & Renewals	0	0	63,047	76,400	81,459	82,841	6,441
	930-000-AGENCY-ACC-000	Misc General Expense	0	(6)	0	0	0	0	0
	930-250-AGENCY-ACC-000	Miscellaneous	13	0	0	0	0	0	0
	923-140-AGENCY-ACC-000	Audit Fees	125,860	129,986	128,122	140,000	135,810	140,116	116
	923-170-AGENCY-ACC-000	IT Consulting Services	3,218	6,414	3,333	7,500	7,830	7,500	0
	926-639-AGENCY-ACC-000	Training	10,753	6,065	14,596	17,000	13,861	17,000	0
	926-653-AGENCY-ACC-000	Employee Dues	925	843	1,680	1,500	1,500	1,500	0
<b>ACC Total</b>			<b>154,830</b>	<b>155,156</b>	<b>248,485</b>	<b>266,900</b>	<b>264,466</b>	<b>252,557</b>	<b>(14,343)</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Building Maintenance	921-240-AGNCY-ADM-000	Office Supplies	14,431	14,428	15,256	24,500	24,000	18,000	(6,500)
	921-312-AGNCY-ADM-000	Utilities - Electric	91,057	98,482	76,991	100,000	100,000	100,000	0
	921-313-AGNCY-ADM-000	Utilities - Water & Sewer	10,223	9,319	10,186	12,500	13,500	13,500	1,000
	921-314-AGNCY-ADM-000	Utilities - Garbage	2,579	3,255	3,393	3,150	3,500	3,500	350
	921-333-AGNCY-ADM-000	Office Furniture	24,802	10,158	19,671	14,000	14,000	14,000	0
	921-340-AGNCY-ADM-000	Property Association Dues	3,329	3,495	3,607	4,350	4,068	4,650	300
	921-351-AGNCY-ADM-000	Auto Gas - Repair	992	4,437	6,510	5,900	5,900	5,900	0
	921-650-AGNCY-ADM-000	Employer Dues	304	339	339	340	340	340	0
	921-670-AGNCY-ADM-000	Travel	25	0	335	0	250	0	0
	926-639-AGNCY-ADM-000	Training	922	1,388	5,505	2,960	2,960	2,960	0
	930-900-AGNCY-ADM-000	Advertising	0	0	0	0	0	0	0
	935-300-AGNCY-ADM-000	Janitorial	48,499	49,666	33,841	7,000	49,900	44,650	37,650
	935-301-AGNCY-ADM-000	Grounds Services (Lawn/Irriga)	31,752	23,724	20,586	29,000	29,000	29,400	400
	935-302-AGNCY-ADM-000	Plumbing & Electrical	18,358	13,182	28,419	20,500	20,500	20,500	0
	935-303-AGNCY-ADM-000	AC Inspection & Repair	29,797	17,763	41,586	32,400	30,000	32,400	0
	935-304-AGNCY-ADM-000	Building Maintenance	49,257	52,013	122,466	60,000	79,400	90,000	30,000
	921-701-AGNCY-ADM-000	Late Fees	0	4	0	0	0	0	0
	921-930-AGNCY-ADM-000	Computer Hardware	0	0	0	0	0	0	0
	935-310-AGNCY-ADM-000	Security Monitoring	8,042	8,638	6,896	10,450	10,450	10,300	(150)
	935-317-AGNCY-ADM-000	Pest / Termite Control	1,100	1,224	2,333	1,250	412	1,250	0
	999-240-AGNCY-ADM-BMF	Transfer to Other Bus Unit	80,000	80,000	333,336	0	0	1,040,000	1,040,000
999-240-AGNCY-RNR-000	Bldg Maint. Fund & Working Capital	0	0	166,668	1,100,000	1,100,000	0	(1,100,000)	
999-500-AGNCY-ADM-000	Capital Expenditure	7,193	252,498	63,187	0	0	0	0	
<b>ADM Total</b>			<b>422,663</b>	<b>644,015</b>	<b>961,112</b>	<b>1,428,300</b>	<b>1,488,180</b>	<b>1,431,350</b>	<b>3,050</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Administration	921-220-AGENCY-AGN-000	Books - Publications - Subscri	2,016	591	28,749	1,500	1,500	5,000	3,500
	921-240-AGENCY-AGN-000	Office Supplies	0	175	60	100	100	100	0
	921-650-AGENCY-AGN-000	Employer Dues	995	16,314	16,461	1,200	1,200	1,200	0
	921-670-AGENCY-AGN-000	Travel	19,677	41,218	31,350	38,000	45,000	42,000	4,000
	921-671-AGENCY-AGN-000	Meetings	12,654	13,406	16,844	17,500	13,000	18,000	500
	921-811-AGENCY-AGN-000	Sponsorships	500	0	0	0	0	0	0
	923-100-AGENCY-AGN-000	Contract Consultants	0	0	0	0	1,700	25,000	25,000
	926-639-AGENCY-AGN-000	Training	34	0	500	0	0	1,500	1,500
	930-740-AGENCY-AGN-000	EC Member Travel Reimbursement	48,944	53,381	58,768	46,000	46,000	50,000	4,000
	930-990-AGENCY-AGN-000	Contingency	0	0	0	200,000	200,000	200,000	0
999-240-AGENCY-AGN-000	Transfer to Other Bus Unit	300,000	300,000	300,000	300,000	300,000	300,000	0	
<b>AGN Total</b>			<b>384,820</b>	<b>425,085</b>	<b>452,732</b>	<b>604,300</b>	<b>608,500</b>	<b>642,800</b>	<b>38,500</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Cyber Security	921-240-AGENCY-CBR-000	Office Supplies	0	0	188	0	0	0	0
	921-670-AGENCY-CBR-000	Travel	761	1,205	2,476	0	0	0	0
	921-670-AGENCY-CBR-ARP	Travel	23,463	17,972	19,648	15,000	13,000	15,000	0
	921-671-AGENCY-CBR-ARP	Meetings	0	0	0	0	0	0	0
	921-910-AGENCY-CBR-000	Software Purchases & Renewals	0	0	309	0	0	0	0
	921-930-AGENCY-CBR-000	Computer Hardware	0	0	86	0	0	0	0
	926-639-AGENCY-CBR-000	Training	0	0	38	0	0	0	0
	926-639-AGENCY-CBR-ARP	Training	2,667	3,035	1,440	0	0	0	0
<b>CBR Total</b>			<b>26,891</b>	<b>22,212</b>	<b>24,184</b>	<b>15,000</b>	<b>13,000</b>	<b>15,000</b>	<b>0</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Contract Compliance	921-220-AGENCY-CNT-000	Books - Publications - Subscri	313	0	0	0	0	0	0
	921-240-AGENCY-CNT-000	Office Supplies	116	0	0	0	0	0	0
	921-670-AGENCY-CNT-000	Travel	15,741	1,085	0	1,100	1,100	21,000	19,900
	921-670-AGENCY-CNT-ARP	Travel	0	0	0	450	0	450	0
	923-168-AGENCY-CNT-000	FMPP Pool Operations	0	0	255	0	0	0	0
	926-639-AGENCY-CNT-000	Training	6,476	3,122	3,771	8,800	8,800	8,800	0
	926-653-AGENCY-CNT-000	Employee Dues	1,069	1,439	2,753	1,500	2,000	1,500	0
	923-100-AGENCY-JON-ABP	Consultants	0	4,436	0	0	0	0	0
	923-100-AGENCY-JON-ST1	Consultants	0	8,836	0	0	0	0	0
	923-100-AGENCY-JON-ST2	Consultants	0	8,836	0	0	0	0	0
	921-670-AGENCY-JON-LU2	Travel	0	0	0	0	0	0	0
	921-910-AGENCY-CNT-000	Software Purchases & Renewals	0	0	12,173	6,000	2,000	7,500	1,500
	921-920-AGENCY-CNT-000	Software	0	0	0	0	7,281	0	0
	923-100-AGENCY-CNT-000	Contract Consultants	0	11,680	2,390	11,680	11,700	12,000	320
	923-100-AGENCY-JON-LU2	Contract Consultants	6,120	0	0	0	0	0	0
<b>CNT Total</b>			<b>29,836</b>	<b>39,434</b>	<b>21,342</b>	<b>29,530</b>	<b>32,881</b>	<b>51,250</b>	<b>21,720</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
CFO Finance	921-220-AGENCY-FIN-000	Books - Publications - Subscri	627	0	602	1,300	600	750	(550)
	921-240-AGENCY-FIN-000	Office Supplies	0	0	0	0	0	0	0
	921-670-AGENCY-FIN-000	Travel	170	2,500	5,055	4,000	5,000	5,000	1,000
	923-100-AGENCY-FIN-000	Contract Consultants	0	0	0	10,000	0	7,500	(2,500)
	921-671-AGENCY-FIN-000	Meetings	0	239	561	750	500	500	(250)
	921-910-AGENCY-FIN-000	Software Purchases & Renewals	0	0	0	10,000	0	0	(10,000)
	926-639-AGENCY-FIN-000	Training	592	1,310	0	3,500	2,000	2,750	(750)
	926-653-AGENCY-FIN-000	Employee Dues	0	845	850	900	950	1,000	100
<b>FIN Total</b>			<b>1,389</b>	<b>4,894</b>	<b>7,068</b>	<b>30,450</b>	<b>9,050</b>	<b>17,500</b>	<b>(12,950)</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Financial Planning and Analysis	921-220-AGENCY-FPA-000	Books - Publications - Subscri	0	0	60	1,200	100	75	(1,125)
	921-334-AGENCY-FPA-000	Office Equipment	0	0	24	100	50	50	(50)
	921-670-AGENCY-FPA-000	Travel	0	923	48	0	0	0	0
	921-670-AGENCY-FPA-ARP	Travel	0	0	0	2,500	1,500	3,000	500
	921-930-AGENCY-FPA-000	Computer Hardware	0	0	1,965	0	0	0	0
	926-639-AGENCY-FPA-ARP	Training	0	0	0	4,000	0	1,000	(3,000)
	923-100-AGENCY-FPA-000	Contract Consultants	0	0	0	0	0	0	0
	921-910-AGENCY-FPA-000	Software	0	0	374	0	3,000	3,120	3,120
	926-639-AGENCY-FPA-000	Training	2,850	4,876	2,523	12,000	6,000	10,000	(2,000)
	926-653-AGENCY-FPA-000	Employee Dues	150	0	320	215	220	220	5
<b>FPA Total</b>			<b>3,000</b>	<b>5,800</b>	<b>5,314</b>	<b>20,015</b>	<b>10,870</b>	<b>17,465</b>	<b>(2,550)</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Generation Engineering	921-240-AGENCY-GEE-000	Office Supplies	0	0	0	250	250	250	0
	921-220-AGENCY-GEE-000	Books - Publications - Subscri	0	0	0	1,000	1,000	1,000	0
	921-670-AGENCY-GEE-ARP	Travel	0	38,631	35,250	35,000	35,000	40,000	5,000
	921-671-AGENCY-GEE-ARP	Meetings	0	86	995	500	500	500	0
	921-910-AGENCY-GEE-ARP	Engineering Services	0	0	260	0	0	0	0
	926-639-AGENCY-GEE-000	Training	0	0	0	1,500	1,500	4,000	2,500
	926-639-AGENCY-GEE-ARP	Training	0	1,440	1,080	6,000	6,000	10,500	4,500
	926-653-AGENCY-GEE-000	Employee Dues	0	0	448	500	500	500	0
<b>GEE Total</b>			<b>0</b>	<b>40,157</b>	<b>38,033</b>	<b>44,750</b>	<b>44,750</b>	<b>56,750</b>	<b>12,000</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Fleet Generation	921-240-AGENCY-GEN-000	Office Supplies	237	238	0	200	200	200	0
	921-670-AGENCY-GEN-000	Travel	0	332	0	0	0	0	0
	921-670-AGENCY-GEN-ARP	Travel	106,803	62,254	77,174	60,000	60,000	85,000	25,000
	921-960-AGENCY-GEN-ARP	Other	156	0	0	0	0	0	0
	926-635-AGENCY-GEN-000	Tuition Reimbursement	3,492	0	0	0	0	0	0
	921-671-AGENCY-GEN-ARP	Meetings	1,460	555	790	200	200	2,000	1,800
	926-639-AGENCY-GEN-000	Training	3,518	1,849	3,550	3,500	1,500	3,500	0
	926-639-AGENCY-GEN-ARP	Training	2,908	743	4,801	8,000	8,000	8,000	0
	926-653-AGENCY-GEN-000	Employee Dues	99	0	0	0	0	0	0
<b>GEN Total</b>			<b>118,671</b>	<b>65,971</b>	<b>86,315</b>	<b>71,900</b>	<b>69,900</b>	<b>98,700</b>	<b>26,800</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Generation Support	921-240-AGENCY-GES-000	Office Supplies	0	970	0	250	250	250	0
	921-670-AGENCY-GES-ARP	Travel	0	19,095	34,553	40,000	35,000	36,000	(4,000)
	921-220-AGENCY-GES-ARP	Subscriptions	0	0	0	0	65	200	200
	921-670-AGENCY-GES-000	Travel	0	0	598	1,000	0	0	(1,000)
	921-671-AGENCY-GES-ARP	Meetings	0	401	293	500	200	500	0
	926-639-AGENCY-GES-000	Training	0	675	4,769	2,000	1,800	2,000	0
	926-639-AGENCY-GES-ARP	Training	0	720	360	7,800	7,800	11,800	4,000
	926-653-AGENCY-GES-000	Employee Dues	0	0	0	0	0	0	0
<b>GES Total</b>			<b>0</b>	<b>21,860</b>	<b>40,573</b>	<b>51,550</b>	<b>45,115</b>	<b>50,750</b>	<b>(800)</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Human Resources/Payroll	920-600-AGENCY-HRD-000	A&G - Gross Wages	8,972,472	8,854,781	9,490,825	10,231,801	10,231,801	10,692,232	460,431
	920-644-AGENCY-HRD-000	A&G - Social Security	718,642	581,963	624,405	782,733	782,733	817,956	35,223
	920-680-AGENCY-HRD-000	A&G - Temporary Help	13,250	25,000	0	25,000	25,000	25,000	0
	921-230-AGENCY-HRD-000	Shipping - Freight - Postage	3,628	2,342	3,192	4,000	4,000	4,000	0
	921-240-AGENCY-HRD-000	Office Supplies	1,794	866	2,583	2,500	2,500	2,500	0
	926-635-AGENCY-GEN-ARP	Tuition Reimbursement	0	1,109	0	0	0	0	0
	920-633-AGENCY-HRD-000	Gross Payroll	0	535	0	0	0	0	0
	921-643-AGENCY-HRD-000	Unemployment	2,468	1,664	1,302	2,500	2,500	2,500	0
	921-650-AGENCY-HRD-000	Employer Dues	6,926	7,238	7,768	7,000	7,000	7,000	0
	921-670-AGENCY-HRD-000	Travel	7,893	4,232	10,861	5,000	5,000	5,000	0
	921-220-AGENCY-HRD-000	Books - Publications - Subscri	0	0	1,012	0	0	0	0
	921-622-AGENCY-HRD-000	Medical	0	(550)	0	0	0	0	0
	921-671-AGENCY-HRD-000	Meetings	15,925	14,192	15,854	20,000	20,000	20,000	0
	921-701-AGENCY-HRD-000	Late Fees	0	0	41	0	0	0	0
	923-110-AGENCY-HRD-000	Payroll Services	54,809	63,350	52,887	50,000	50,000	50,000	0
	923-115-AGENCY-HRD-000	HR Consulting	41,239	19,454	39,000	50,000	50,000	50,000	0
	926-622-AGENCY-000-000	Employee Medical	(54,377)	118,127	(267,727)	0	0	0	0
	926-641-AGENCY-000-000	Compensated Absences	(226,304)	139,869	(129,463)	0	0	0	0
	925-655-AGENCY-HRD-000	Personal Protective Equipment	5,067	2,835	4,730	9,000	9,000	9,000	0
	926-610-AGENCY-HRD-000	Pension - 401	1,050,021	886,278	963,729	1,023,180	1,023,180	1,069,223	46,044
	926-621-AGENCY-HRD-000	Short Term Disability	40,020	35,954	36,367	38,459	38,459	38,545	86
	926-622-AGENCY-HRD-000	Employee Medical	1,360,374	1,339,843	1,705,358	1,613,526	1,613,526	1,694,755	81,229
	926-623-AGENCY-HRD-000	Retiree health expenses	72,739	57,680	55,441	90,000	90,000	90,000	0
	926-624-AGENCY-HRD-000	Long Term Disability	55,714	49,980	51,349	56,538	56,538	53,902	(2,636)
	926-629-AGENCY-HRD-000	Medical Long Term Care	18,445	20,477	13,802	13,961	13,961	12,986	(974)
	926-633-AGENCY-HRD-000	Relocation Expenses	32,476	0	4,293	60,000	60,000	60,000	0
	921-910-AGENCY-HRD-000	Software Purchases & Renewals	0	119	9,326	25,000	25,000	25,000	0
	921-920-AGENCY-HRD-000	Maintenance Support Agreements	0	0	16,932	0	0	0	0
	926-611-AGENCY-HRD-000	401A	2,000	0	0	0	0	0	0
	926-634-AGENCY-HRD-000	Recruitment & Relocation	99,001	36,534	18,642	80,000	80,000	80,000	0
	926-635-AGENCY-HRD-000	Tuition Reimbursement	5,095	2,383	1,333	6,000	6,000	6,000	0
	926-636-AGENCY-HRD-000	Wellness Expense	25,889	34,442	27,766	40,000	40,000	40,000	0
	926-637-AGENCY-HRD-000	Life Insurance	53,391	50,480	50,815	59,462	59,462	61,236	1,774
926-639-AGENCY-HRD-000	Training	14,400	26,781	13,810	19,500	19,500	19,500	0	
926-642-AGENCY-HRD-000	Auto Allowance	38,911	1,925	0	0	0	0	0	
926-643-AGENCY-HRD-000	Cell Phone Stipends	32,650	31,000	32,450	34,450	34,450	36,400	1,950	
926-645-AGENCY-HRD-000	Flex Account Fees	9,107	50,798	14,957	9,000	9,000	9,000	0	
926-653-AGENCY-HRD-000	Employee Dues	943	758	474	1,500	1,500	1,500	0	
926-654-AGENCY-HRD-000	HR Training for Company	31,180	17,797	91,727	40,000	40,000	40,000	0	
926-663-AGENCY-HRD-000	Awards & Recognition	8,548	10,656	8,879	10,000	10,000	10,000	0	
926-664-AGENCY-HRD-000	Employee Activities	10,158	11,706	14,098	18,000	18,000	18,000	0	

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
	935-300-AGENCY-HRD-000	Janitorial	(328)	0	0	0	0	0	0
	930-900-AGENCY-HRD-000	Advertising	0	0	15,781	24,000	24,000	24,000	0
<b>HRD Total</b>			<b>12,524,160</b>	<b>12,502,596</b>	<b>13,004,596</b>	<b>14,452,108</b>	<b>14,452,110</b>	<b>15,075,235</b>	<b>623,127</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Information Services	405-200-AGENCY-ITD-000	SBITA - Amortization Expense	204,495	122,589	11,014	0	0	0	0
	921-200-AGENCY-ITD-000	Computer Supplies	18,247	19,151	12,293	15,000	19,257	15,000	0
	921-220-AGENCY-ITD-000	Books - Publications - Subscri	3,600	3,600	3,668	300	0	300	0
	921-240-AGENCY-ITD-000	Office Supplies	5,114	14,245	7,621	2,750	2,000	2,500	(250)
	921-311-AGENCY-ITD-000	Internet/Telcom Services	148,055	15,077	136,685	166,430	166,355	159,130	(7,300)
	921-311-AGENCY-ITD-ARP	Internet/Telcom Services	0	0	0	0	0	0	0
	427-200-AGENCY-ITD-000	SBITA - Interest Expense	7,337	12,536	75	0	0	0	0
	921-200-AGENCY-ITD-ARP	Computer Supplies	0	108	0	0	0	0	0
	921-316-AGENCY-ITD-000	Mobile Communication Services	48,259	47,873	49,312	52,160	58,463	58,460	6,300
	921-334-AGENCY-ITD-000	Office Equipment	0	0	90	5,500	2,578	5,500	0
	921-670-AGENCY-ITD-000	Travel	14,086	9,354	10,823	23,500	9,722	20,000	(3,500)
	921-670-AGENCY-ITD-ARP	Travel	0	0	0	0	5	0	0
	921-671-AGENCY-ITD-000	Meetings	1,083	258	1,296	1,500	1,236	3,000	1,500
	921-701-AGENCY-ITD-000	Late Fees	0	0	257	0	94	0	0
	921-910-AGENCY-ITD-000	Software Purchases & Renewals	345,610	380,376	280,321	381,300	375,418	413,700	32,400
	921-910-AGENCY-ITD-ARP	Software Purchases & Renewals	175,240	154,397	71,456	0	0	0	0
	921-920-AGENCY-ITD-000	Maintenance Support Agreements	154,274	193,944	25,428	1,000	1,000	0	(1,000)
	921-930-AGENCY-000-000	Computer Hardware	0	14,525	0	0	0	0	0
	921-930-AGENCY-ITD-000	Computer Hardware	46,051	96,384	125,097	10,000	51,854	30,000	20,000
	921-930-AGENCY-ITD-ARP	Computer Hardware	17	0	0	0	0	0	0
	921-940-AGENCY-ITD-000	Hardware	0	0	5,332	0	0	0	0
	921-970-AGENCY-ITD-000	Cyber Security Costs	197	0	0	0	0	0	0
	923-316-AGENCY-ITD-000	Telephone & Fax	0	0	15,310	0	0	0	0
	923-170-AGENCY-ITD-000	IT Consulting Services	55,548	22,337	14,790	80,000	65,824	54,000	(26,000)
	926-639-AGENCY-ITD-000	Training	10,360	34,136	18,117	40,000	22,699	36,000	(4,000)
	999-500-AGENCY-ITD-000	Capital Expenditure	131,121	1,370,945	17,909	0	0	45,000	45,000
<b>ITD Total</b>			<b>1,368,693</b>	<b>2,511,834</b>	<b>806,893</b>	<b>779,440</b>	<b>776,505</b>	<b>842,590</b>	<b>63,150</b>

# FLORIDA MUNICIPAL POWER AGENCY

## FY 2027 Agency Budget Detail by Department

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Legal	921-107-AGENCY-LGL-000	Legal Research	12,263	10,098	11,335	12,199	12,000	13,000	801
	921-220-AGENCY-LGL-000	Books - Publications - Subscri	188	1,601	2,396	2,000	1,824	2,275	275
	921-230-AGENCY-LGL-000	Shipping - Freight - Postage	614	575	475	700	700	750	50
	921-240-AGENCY-LGL-000	Office Supplies	4,025	913	897	1,300	1,300	1,300	0
	921-312-AGENCY-LGL-000	Utilities - Electric	2,578	2,364	2,768	3,000	3,000	3,000	0
	921-331-AGENCY-LGL-000	Office Equipment Repair	315	0	0	250	250	250	0
	923-120-AGENCY-LGL-000	Financial Consultant	1,823	0	0	20,000	5,000	10,000	(10,000)
	921-340-AGENCY-LGL-000	Property Association Dues	1,260	(1,440)	1,022	2,000	2,019	2,070	70
	921-311-AGENCY-LGL-000	Internet/Telcom Services	0	0	1,080	0	0	0	0
	924-321-AGENCY-LGL-000	Property Insurance	0	0	(297)	0	0	0	0
	921-670-AGENCY-LGL-000	Travel	23,053	28,709	36,756	35,000	35,000	35,000	0
	921-671-AGENCY-LGL-000	Meetings	35	111	661	500	250	500	0
	923-105-AGENCY-LGL-000	Legal Fees	80,558	107,215	164,877	100,000	100,000	100,000	0
	923-332-AGENCY-LGL-000	Records Retention	2,597	2,765	2,927	2,800	2,800	2,800	0
	926-639-AGENCY-LGL-000	Training	2,935	2,323	603	4,500	4,500	4,500	0
	926-653-AGENCY-LGL-000	Employee Dues	1,990	3,022	2,360	3,500	3,500	3,500	0
	935-300-AGENCY-LGL-000	Janitorial	4,423	4,160	4,254	4,400	4,400	4,400	0
	935-301-AGENCY-LGL-000	Grounds Services (Lawn/Irriga)	0	450	280	0	0	0	0
	935-304-AGENCY-LGL-000	Building Maintenance	1,997	658	1,533	1,000	1,000	1,790	790
	935-310-AGENCY-LGL-000	Security Monitoring	299	725	664	625	630	640	15
935-317-AGENCY-LGL-000	Pest / Termite Control	715	743	614	825	800	881	56	
<b>LGL Total</b>			<b>141,668</b>	<b>164,991</b>	<b>235,205</b>	<b>194,599</b>	<b>178,973</b>	<b>186,656</b>	<b>(7,943)</b>
	921-220-AGENCY-MBR-000	Books - Publications - Subscri	250	0	191	200	200	800	600
	921-240-AGENCY-MBR-000	Office Supplies	5,451	1,233	4,886	700	700	700	0
	921-650-AGENCY-MBR-000	Employer Dues	146,355	176,528	160,644	188,600	188,600	189,600	1,000
	921-670-AGENCY-MBR-000	Travel	47,193	67,474	77,572	105,000	105,000	105,000	0
	921-670-AGENCY-MBR-ARP	Travel	0	0	5,177	30,000	30,000	30,000	0
	921-910-AGENCY-MBR-000	Software Purchases & Renewals	0	0	5,353	31,500	31,500	15,500	(16,000)
	921-671-AGENCY-MBR-000	Meetings	9,114	8,140	17,083	16,000	16,000	18,000	2,000
	921-671-AGENCY-MBR-ARP	Meetings	0	0	0	1,000	1,000	3,000	2,000
	923-160-AGENCY-MES-000	Engineering Services	8,763	0	0	0	0	0	0
	921-910-AGENCY-MBR-ARP	Software Purchases & Renewals	0	0	0	0	0	17,000	17,000
	921-960-AGENCY-MBR-000	Leased Employees	0	0	18,063	50,000	50,000	50,000	0
	921-250-AGENCY-MBR-000	Misc Office Expense	0	0	7,387	0	0	0	0
	950-000-AGENCY-MES-HVA	Member Services Revenue	4,000	0	0	0	0	0	0
	960-000-AGENCY-MES-HVA	Member Services Expense	(3,381)	0	0	0	0	0	0
	926-639-AGENCY-MBR-000	Training	6,776	6,135	20,934	15,000	15,000	10,000	(5,000)
	926-639-AGENCY-MBR-ARP	Training	0	0	35	10,000	10,000	10,000	0
	926-653-AGENCY-MBR-000	Employee Dues	648	0	0	1,000	1,000	1,000	0
	926-653-AGENCY-MBR-ARP	Employee Dues	0	0	0	500	500	500	0
	930-801-AGENCY-MBR-000	FMEA Rodeo Prize	4,500	2,674	0	8,000	8,000	8,000	0

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
	930-900-AGENCY-MBR-000	Advertising	627	884	794	0	0	0	0
	999-500-AGENCY-MBR-000	Capital Expenditure	0	6,625	0	0	0	15,000	15,000
<b>MBR Total</b>			<b>230,295</b>	<b>269,692</b>	<b>318,120</b>	<b>457,500</b>	<b>457,500</b>	<b>474,100</b>	<b>16,600</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
System Operations	921-240-AGENCY-OPS-000	Office Supplies	0	0	21	100	0	100	0
	921-670-AGENCY-OPS-000	Travel	1,442	2,380	2,858	4,050	2,332	3,500	(550)
	921-670-AGENCY-OPS-ARP	Travel	25,612	2,754	1,806	5,400	7,829	8,750	3,350
	921-671-AGENCY-OPS-000	Meetings	82	0	0	0	0	0	0
	921-671-AGENCY-OPS-ARP	Meetings	13	282	0	375	332	500	125
	926-639-AGENCY-OPS-000	Training	495	647	(271)	400	400	400	0
	926-639-AGENCY-OPS-ARP	Training	10,157	715	3,236	3,000	2,630	3,000	0
	926-653-AGENCY-OPS-000	Employee Dues	244	877	263	1,200	571	1,150	(50)
<b>OPS Total</b>			<b>38,044</b>	<b>7,655</b>	<b>7,914</b>	<b>14,525</b>	<b>14,094</b>	<b>17,400</b>	<b>2,875</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Resource and Strategic Planning	921-200-AGENCY-PLN-000	Computer Supplies	0	0	0	0	0	0	0
	921-220-AGENCY-PLN-000	Books - Publications - Subscri	7,525	7,800	8,315	9,000	9,000	9,250	250
	921-670-AGENCY-PLN-000	Travel	1,460	2,648	8,685	1,200	1,200	1,200	0
	921-670-AGENCY-PLN-ARP	Travel	351	1,106	2,619	6,500	6,500	6,500	0
	921-671-AGENCY-PLN-000	Meetings	0	0	0	800	800	800	0
	921-910-AGENCY-PLN-000	Software Purchases & Renewals	0	0	0	0	0	250	250
	921-910-AGENCY-PLN-ARP	Software Purchases & Renewals	0	0	14,639	0	0	0	0
	923-100-AGENCY-PLN-000	Contract Consultants	0	0	0	0	0	0	0
	926-639-AGENCY-PLN-000	Training	160	4,200	0	0	0	0	0
	926-639-AGENCY-PLN-ARP	Training	3,071	476	281	10,000	10,000	10,000	0
	926-653-AGENCY-PLN-000	Employee Dues	0	0	0	0	0	0	0
<b>PLN Total</b>			<b>12,566</b>	<b>16,229</b>	<b>34,539</b>	<b>27,500</b>	<b>27,500</b>	<b>28,000</b>	<b>500</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Public Relations	921-165-AGENCY-PRD-000	Environmental Support	81,206	60,108	45,672	65,000	65,000	70,000	5,000
	921-210-AGENCY-PRD-000	Printing Costs	1,628	1,632	1,726	1,000	1,000	1,000	0
	921-220-AGENCY-PRD-000	Books - Publications - Subscri	6,514	8,043	7,837	6,200	6,200	5,975	(225)
	921-240-AGENCY-PRD-000	Office Supplies	1,584	15	433	1,000	1,000	1,000	0
	921-390-AGENCY-PRD-000	Communications Projects	16,161	17,805	21,844	27,800	27,000	27,300	(500)
	921-670-AGENCY-PRD-000	Travel	39,059	32,432	37,427	53,000	48,000	48,000	(5,000)
	921-671-AGENCY-PRD-000	Meetings	75	589	0	1,000	1,000	1,000	0
	921-803-AGENCY-PRD-000	Govt Relations Events	700	700	1,003	2,000	2,000	2,000	0
	921-811-AGENCY-PRD-000	Sponsorships	15,000	12,000	12,000	27,000	27,000	27,000	0
	921-820-AGENCY-PRD-000	Speciality Items	42	1,689	2,442	3,900	3,900	4,000	100
	921-830-AGENCY-PRD-000	Annual Report	14,019	14,435	9,985	15,000	15,000	15,000	0
	921-910-AGENCY-PRD-000	Software Purchases & Renewals	0	0	210	10,000	10,000	10,000	0
	921-960-AGENCY-PRD-000	Other	108	0	0	0	0	0	0
	923-000-AGENCY-PRD-000	Consultants	0	2,153	0	0	0	0	0
	921-930-AGENCY-PRD-000	Computer Hardware	0	1,750	0	0	0	0	0
	921-100-AGENCY-PRD-000	Obsolete Inventory Write Off	1,200	0	0	0	0	0	0
	921-333-AGENCY-PRD-000	Office Furniture	0	0	343	0	0	0	0
	923-100-AGENCY-PRD-000	Contract Consultants	70,637	53,917	24,606	28,000	28,000	28,000	0
	923-180-AGENCY-PRD-000	Lobbying	77,280	67,545	37,180	91,000	91,000	91,000	0
	926-639-AGENCY-PRD-000	Training	2,768	10,493	7,615	12,000	12,000	12,000	0
926-653-AGENCY-PRD-000	Employee Dues	250	0	317	900	900	1,500	600	
<b>PRD Total</b>			<b>328,230</b>	<b>285,304</b>	<b>210,641</b>	<b>344,800</b>	<b>339,000</b>	<b>344,775</b>	<b>(25)</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Power Resources	921-220-AGENCY-PWR-000	Books - Publications - Subscri	30,250	31,250	42,245	0	0	0	0
	921-220-AGENCY-PWR-ARP	Office Supplies	0	0	0	1,000	1,000	1,000	0
	921-240-AGENCY-PWR-000	Office Supplies	0	0	242	250	0	0	(250)
	921-670-AGENCY-PWR-000	Travel	0	0	0	500	0	500	0
	921-670-AGENCY-PWR-ARP	Travel	8,380	9,424	10,813	18,000	18,000	18,000	0
	921-671-AGENCY-PWR-ARP	Meetings	351	0	783	500	500	500	0
	926-639-AGENCY-PWR-ARP	Training	0	0	0	1,500	0	1,500	0
	926-653-AGENCY-PWR-000	Employee Dues	99	0	0	0	0	0	0
	926-639-AGENCY-PWR-000	Training	755	0	0	0	0	0	0
<b>PWR Total</b>			<b>39,834</b>	<b>40,674</b>	<b>54,083</b>	<b>21,750</b>	<b>19,500</b>	<b>21,500</b>	<b>(250)</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Regulatory Compliance	921-220-AGENCY-REG-000	Books - Publications - Subscri	0	0	0	0	0	0	0
	921-650-AGENCY-REG-000	Employer Dues	66,000	68,000	68,000	68,000	69,300	72,000	4,000
	921-670-AGENCY-REG-000	Travel	4,517	0	0	5,000	0	0	(5,000)
	921-670-AGENCY-REG-ARP	Travel	4,966	141	235	0	0	2,500	2,500
	921-671-AGENCY-REG-000	Meetings	0	0	0	2,000	0	0	(2,000)
	921-671-AGENCY-REG-ARP	Meetings	1,320	346	989	0	0	2,000	2,000
	926-639-AGENCY-REG-000	Training	0	0	755	0	0	250	250
	926-639-AGENCY-REG-ARP	Training	0	360	360	0	0	0	0
	926-653-AGENCY-REG-ARP	Employee Dues	0	0	0	455	0	455	0
<b>REG Total</b>			<b>76,803</b>	<b>68,848</b>	<b>70,339</b>	<b>75,455</b>	<b>69,300</b>	<b>77,205</b>	<b>1,750</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Risk Management	921-220-AGENCY-RSK-000	Books - Publications - Subscri	2,763	3,257	3,369	3,599	3,599	5,000	1,401
	921-670-AGENCY-RSK-000	Travel	2,432	1,111	909	2,500	2,500	2,500	0
	921-670-AGENCY-RSK-ARP	Travel	297	181	0	1,524	1,524	3,100	1,576
	921-671-AGENCY-RSK-000	Meetings	618	0	0	100	0	0	(100)
	923-150-AGENCY-RSK-000	Insurance Consultant	20,784	31,543	19,608	27,500	27,500	27,500	0
	924-321-AGENCY-RSK-000	Property Insurance	21,525	26,926	28,239	27,601	28,500	28,500	899
	924-322-AGENCY-RSK-000	Other Insurance	152,124	120,387	104,649	127,631	127,631	122,571	(5,060)
	925-323-AGENCY-RSK-000	Auto Liability Insurance	10,475	6,455	8,458	14,720	14,720	15,006	286
	925-324-AGENCY-RSK-000	Officers Liability Insurance	181,100	177,713	182,614	186,746	186,746	190,000	3,254
	925-625-AGENCY-RSK-000	Workers Comp Insurance	41,277	38,377	50,363	51,042	51,042	55,000	3,958
	925-720-AGENCY-RSK-000	Commercial Umbrella Insurance	387,085	476,421	555,539	633,200	633,200	634,400	1,200
	926-639-AGENCY-RSK-000	Training	0	39	0	1,000	0	0	(1,000)
<b>RSK Total</b>			<b>820,480</b>	<b>882,408</b>	<b>953,747</b>	<b>1,077,163</b>	<b>1,076,962</b>	<b>1,083,577</b>	<b>6,414</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Transmission Planning	921-220-AGENCY-TPS-000	Books - Publications - Subscri	416	0	0	0	0	0	0
	921-240-AGENCY-TPS-000	Office Supplies	229	0	0	0	0	0	0
	921-670-AGENCY-TPS-000	Travel	356	0	0	1,000	1,000	1,000	0
	921-670-AGENCY-TPS-ARP	Travel	12,145	930	2,630	6,000	6,000	6,000	0
	921-671-AGENCY-TPS-000	Meetings	0	0	0	0	0	500	500
	921-910-AGENCY-TPS-000	Software Purchases & Renewals	0	0	0	45,600	45,600	0	(45,600)
	923-170-AGENCY-TPS-000	IT Consulting Services	1,020	1,020	1,020	0	0	0	0
	926-639-AGENCY-TPS-ARP	Training	2,240	303	61	1,000	1,000	1,000	0
	926-639-AGENCY-TPS-000	Training	6,698	0	0	0	0	0	0
	926-653-AGENCY-TPS-000	Employee Dues	0	0	0	0	0	0	0
<b>TPS Total</b>			<b>23,104</b>	<b>2,254</b>	<b>3,711</b>	<b>53,600</b>	<b>53,600</b>	<b>8,500</b>	<b>(45,100)</b>

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2027 Agency Budget**  
**Detail by Department**

Department	Sub/Account	Account Description	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2026 Forecast	2027 Budget	Inc./ (Dec.)
Treasury	427-220-AGENCY-TSY-000	Interest Expense	0	0	0	0	0	0	0
	427-220-AGENCY-PLP-DSA	Interest Expense	0	30,208	164,003	51,982	51,982	0	(51,982)
	405-200-AGENCY-TSY-000	Amortization Expense	0	0	72,077	0	0	0	0
	923-704-AGENCY-PLP-DSA	Trustee Charges	0	10,068	0	0	0	0	0
	921-220-AGENCY-TSY-000	Books - Publications - Subscri	14,499	12,335	13,423	12,600	14,850	15,509	2,909
	921-230-AGENCY-TSY-000	Shipping - Freight - Postage	0	0	0	100	0	0	(100)
	921-240-AGENCY-TSY-000	Office Supplies	63	28	0	150	100	100	(50)
	921-910-AGENCY-TSY-000	Software Purchases & Renewals	0	45,000	79,593	170,700	145,000	150,200	(20,500)
	921-920-AGENCY-TSY-000	Software	0	0	13,609	0	0	0	0
	923-105-AGENCY-TSY-000	Legal Fees	0	20,000	25,000	27,500	20,000	15,000	(12,500)
	999-240-AGENCY-TSY-000	Transfer to Other Bus Unit	0	0	0	0	0	0	0
	999-240-AGENCY-000-PLN	Transfer to Other Bus Unit	0	(1,000,000)	475,203	517,797	517,797	0	(517,797)
	921-670-AGENCY-TSY-000	Travel	490	0	1,380	100	100	100	0
	921-671-AGENCY-TSY-000	Meetings	61	80	62	100	100	100	0
	921-700-AGENCY-TSY-000	Bank and Other Account Fees	8,765	11,119	9,922	11,340	13,450	10,140	(1,200)
	923-100-AGENCY-TSY-000	Contract Consultants	0	0	0	0	0	0	0
	923-120-AGENCY-TSY-000	Financial Consultant	166,754	301,301	226,419	240,000	230,000	230,000	(10,000)
	926-639-AGENCY-TSY-000	Training	5,408	7,698	2,735	6,900	5,000	5,600	(1,300)
	926-653-AGENCY-TSY-000	Employee Dues	910	1,075	495	1,150	570	570	(580)
<b>TSY Total</b>			<b>196,951</b>	<b>(561,088)</b>	<b>1,083,921</b>	<b>1,040,418</b>	<b>998,949</b>	<b>427,319</b>	<b>(613,099)</b>

# FLORIDA MUNICIPAL POWER AGENCY

## FY 2027 Agency Budget Detail by Department

		2025	2026	2026	2027	Incr./
Department	Name	Actuals	Forecast	Budget	Budget	(Decr.)
ACC	Accounting	238,276	264,466	266,900	252,557	(14,343)
ADM	Building Administration	897,924	1,488,180	1,428,300	1,431,350	3,050
AGN	Executive Administration	452,732	608,500	604,300	642,800	38,500
CBR	Cyber Security	24,185	13,000	15,000	15,000	0
CNT	Contract Compliance	21,342	32,881	29,530	51,250	21,720
FIN	Finance (CFO)	7,068	9,050	30,450	17,500	(12,950)
FPA	Financial Planning & Analysis	5,314	10,870	20,015	17,465	(2,550)
GEE	Generation Engineering	37,773	44,750	44,750	56,750	12,000
GEN	Fleet Generation	86,315	69,900	71,900	98,700	26,800
GES	Generation Support	40,573	45,115	51,550	50,750	(800)
HRD	Human Resources Department	13,401,789	14,452,110	14,452,108	15,075,235	623,127
ITD	Information Technology	911,574	776,505	779,440	842,590	63,150
LGL	Legal	235,205	178,973	194,599	186,656	(7,943)
MBR	Member Services	318,119	457,500	457,500	474,100	16,600
OPS	Business Development & System Ops	7,913	14,094	14,525	17,400	2,875
PLN	Resource & Strategic Planning	34,538	27,500	27,500	28,000	500
PRD	Public / Government Relations	210,640	339,000	344,800	344,775	(25)
PWR	Power Resources (COO)	54,083	19,500	21,750	21,500	(250)
REG	Regulatory Compliance	70,338	69,300	75,455	77,205	1,750
RSK	Risk Management	953,747	1,076,962	1,077,163	1,083,577	6,414
TPS	Engineering Services	3,711	53,600	53,600	8,500	(45,100)
TSY	Treasury	1,011,844	998,949	1,040,419	427,319	(613,100)
<b>Total Agency</b>		<b>19,025,003</b>	<b>21,050,705</b>	<b>21,101,554</b>	<b>21,220,979</b>	<b>119,425</b>



## FY 2027 AGENCY BUDGET

### Comparison of Proposed 2027 Budget vs. 2026 Budget

	Budget Fiscal year <b>2026</b>	Budget Fiscal year <b>2027</b>	FY 2027 Budget Above/(Below) <b>FY 2026 Budget</b>	
Gross Payroll	10,231,801	10,692,232	460,431	4.5%
FICA & Medicare	782,733	817,956	35,223	4.5%
401A	1,023,180	1,069,223	46,043	4.5%
Long Term Care	13,959	12,986	(973)	-7.0%
Healthcare Insurance	1,857,985	1,938,438	80,453	4.3%
Workers Comp Insurance	51,042	55,000	3,958	7.8%
Unemployment Compensation	2,500	2,500	0	0.0%
Recruit & Relocate	140,000	140,000	0	0.0%
Wellness	40,000	40,000	0	0.0%
Tuition Reimbursement	6,000	6,000	0	0.0%
Employee Recognition	10,000	10,000	0	0.0%
Employee Activities	18,000	18,000	0	0.0%
<b>Total Payroll &amp; Benefits</b>	<b>14,177,200</b>	<b>14,802,335</b>	<b>625,135</b>	<b>4.4%</b>
Employer Dues	265,140	270,140	5,000	1.9%
FCG-Florida Electric Power Coord Group	65,000	70,000	5,000	7.7%
Subscriptions	39,899	47,134	7,235	18.1%
Employee Dues	14,820	14,895	75	0.5%
Office Supplies	39,650	32,550	(7,100)	-17.9%
Bank Charges	11,340	10,140	(1,200)	-10.6%
Software	757,500	725,111	(32,389)	-4.3%
Hardware	10,000	30,000	20,000	200.0%
Computer Supplies	15,000	15,000	0	0.0%
Postage	4,800	4,750	(50)	-1.0%
Printing	16,000	16,000	0	0.0%
Telephone & Fax	52,160	58,460	6,300	12.1%
Phone Stipend	34,450	36,400	1,950	5.7%
Internet Charges	166,430	159,130	(7,300)	-4.4%
GM's Contingency	200,000	200,000	0	0.0%
Business Travel	500,824	544,600	43,776	8.7%
Training	201,860	197,560	(4,300)	-2.1%
Management Staff Training	40,000	40,000	0	0.0%
Meetings	63,325	71,400	8,075	12.8%
FMPA Board of Directors	46,000	50,000	4,000	8.7%
All Other Operating Costs	76,800	76,900	100	0.1%
<b>Total Operating Expense</b>	<b>2,620,998</b>	<b>2,670,170</b>	<b>49,172</b>	<b>1.9%</b>



## FY 2027 AGENCY BUDGET

### Comparison of Proposed 2027 Budget vs. 2026 Budget

	Budget Fiscal year <b>2026</b>	Budget Fiscal year <b>2027</b>	FY 2027 Budget Above/(Below) FY 2026 Budget	
Lobbying	103,199	104,000	801	0.8%
Consultants	852,980	796,516	(56,464)	-6.6%
Sponsorships	27,000	27,000	0	0.0%
Advertising	24,000	24,000	0	0.0%
Communications Projects & Special Events	29,800	29,300	(500)	-1.7%
<b>Outside Services &amp; Consultants</b>	<b>1,036,979</b>	<b>980,816</b>	<b>(56,163)</b>	<b>-5.4%</b>
Cyber & Property Insurance	155,232	151,071	(4,161)	-2.7%
Excess Liability Insurance	633,200	634,400	1,200	0.2%
Auto Insurance	14,720	15,006	286	1.9%
Officers Liability Insurance	186,746	190,000	3,254	1.7%
Interest Expense Admin Building	51,982	0	(51,982)	-100.0%
Utilities (Electric/Garbage/Water)	118,650	120,000	1,350	1.1%
Office Furniture	14,000	14,000	0	0.0%
Building Services	42,475	80,581	38,106	89.7%
Building & Equipment Repairs	114,150	144,940	30,790	27.0%
Alarm Systems	11,075	10,940	(135)	-1.2%
Property Dues	6,350	6,720	370	5.8%
<b>Building, Maintenance, Equipment, &amp; Insurance</b>	<b>1,348,580</b>	<b>1,367,658</b>	<b>19,078</b>	<b>1.4%</b>
Capital	1,100,000	1,100,000	0	0.0%
Pooled Loan Principal	517,797	0	(517,797)	-100.0%
Agency Working Capital	300,000	300,000	0	0.0%
<b>Balance Sheet Items</b>	<b>1,917,797</b>	<b>1,400,000</b>	<b>(517,797)</b>	<b>-27.0%</b>
<b>Agency Expenses (Budget Based)</b>	<b>21,101,554</b>	<b>21,220,979</b>	<b>119,425</b>	<b>0.6%</b>

*Green font represents a savings greater than 10%*

*Red font represents a cost increase greater than 10%*

*Blue font represents items that had no value in the comparison period*

## **Public Purpose Designations**

### **Meetings**

FMPA often holds governing board/committee meetings, trainings, roundtables and other events for the benefit of FMPA and its members that include its member-owners from around the state. In addition, FMPA holds meetings with business-related groups (e.g., Florida Gas Utility, Florida Municipal Power Pool, etc.) or meetings involving staff working through the lunch hour that are necessary and important for the benefit of FMPA's members. Given that meeting attendees travel to FMPA from varying distances and that the meetings often last several hours, making the combined travel and meeting time equivalent up to a full working day or more, and that these meetings are important to address FMPA's business needs, it is hereby determined that meeting-related expenses for meals, refreshments, snacks and catering supplies provided for in this subcategory constitute a public purpose and are hereby authorized, within the otherwise applicable limits of the Agency and its personnel, for this public purpose established.

### **Employee Activities**

Employees connect with their employer through the people they work with, as well as the mission and values of the organization and the work that is performed. People engage with people, and they give more when they feel valued and appreciated. Studies show that employees who feel connected with their co-workers and the organization are prone to think more, do more and care more with the organization's best interests in mind. These types of engaged employees are more productive, more committed and more valuable to the organization. Organizations of all types have long held social events with employees outside the workplace—such as picnics and holiday gatherings—to build relationships, show appreciation and foster employee engagement. The time-honored traditions of company picnics and holiday gatherings are still customary annual events for many public and private organizations. It is hereby determined that expenses for employee activities, as described herein and provided in this subcategory, constitute a public purpose and are hereby authorized, within the otherwise applicable limits of the Agency and its personnel, for this public purpose established.

### **Awards & Recognition**

While competitive compensation is important for attracting and retaining employees, it is also well documented that using non-pay incentive, such as awards and recognition programs, is an important element in maintaining and retaining employees. Awards and recognition programs can be designed to reward individual employees or employees collectively for their contributions to the organization. Recognition can take various forms, formal and informal, monetary and non-monetary. By acknowledging employee efforts and making them feel valued and appreciated, organizations can increase the employees' satisfaction, morale and self-esteem. Employers who create a culture of recognition see measurable results. The benefits to organization typically include higher employee engagement, higher productivity, lower turnover and a higher ability to attract and retain employees. It is hereby determined that expenses for employee awards and recognition, as described herein and provided in this subcategory, constitute a public purpose and are hereby authorized, within the otherwise applicable limits of the Agency and its personnel, for this public purpose established.

**FLORIDA MUNICIPAL POWER AGENCY**  
**Expenses with a Public Purpose Designation**  
**Summary**

**Meetings**

Department	Actuals 2024	Actuals 2025	Budget 2026	Budget 2027
Accounting	\$ 274	\$ -	\$ -	-
Building Administration	239	561	750	500
Executive Administration	13,406	16,844	17,500	18,000
Cyber Security	-	-	-	-
Generation Engineering	86	995	500	500
Fleet Generation	555	790	200	2,000
Generation Support	401	293	500	500
Human Resources Department	14,192	15,854	20,000	20,000
Information Technology	258	1,296	1,500	3,000
Legal	111	661	500	500
Member Services	8,140	17,083	17,000	21,000
Business Development & System Ops	282	-	375	500
Resource & Strategic Planning	-	-	800	800
Public / Government Relations	589	-	1,000	1,000
Power Resources (COO)	-	783	500	500
Regulatory Compliance	346	988	2,000	2,000
Risk Management	-	-	100	-
Treasury	80	62	100	100
<b>Total</b>	<b>\$ 61,321</b>	<b>\$ 79,187</b>	<b>\$ 91,325</b>	<b>\$ 98,900</b>

**Employee Activities**

Human Resources Department	11,706	14,098	18,000	18,000
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**Awards & Recognition**

Human Resources Department	10,656	8,879	10,000	10,000
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**Financial Commitment Authority** – Defined as the authorized personnel who have the ability to financially commit (sign on behalf of) the Agency (contracts, work orders, purchase orders, etc.). Authority levels are shown in the following table.

**FMPA Financial Commitment Authority Levels**

<b>Authority Levels</b>	<b>Agency/ARP A&amp;G</b>	<b>ARP (Non-Commodity)</b>	<b>ARP (Commodity) [1]</b>
General Manager	Up to \$250,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over \$250,000 reported at the next EC Meeting	<ul style="list-style-type: none"> <li>Up to \$50 million notional value for transactions &gt; 2 years but ≤ 7 years</li> <li>Up to \$15 million notional value for transactions &gt; 1 month but ≤ 2 years</li> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>
Chief Operating Officer (COO) [2]	Up to \$50,000	Up to \$150,000	<ul style="list-style-type: none"> <li>Up to \$15 million notional value for transactions &gt; 1 month but ≤ 2 years</li> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>
Generation Fleet Engineering Director and Generation Fleet Operations Director	Up to \$10,000	Up to \$50,000	N/A
General Counsel	Up to \$50,000	Up to \$50,000	N/A
VP IT/OT & Systems Ops	Up to \$50,000	Up to \$50,000	<ul style="list-style-type: none"> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>
Chief People & Member Services Officer	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$50,000	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$50,000	N/A
Chief Financial Officer	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$50,000	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$50,000	<ul style="list-style-type: none"> <li>Up to \$15 million notional value for transactions &gt; 1 month but ≤ 2 years</li> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>
Power Generation Engineer & Project Manager	Up to \$10,000	Up to \$20,000	N/A
Financial Planning, Rates, Budget, and Fuels Director	Up to \$10,000	Up to \$10,000	<ul style="list-style-type: none"> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>
Managers, Directors and Deputy General Counsel [4]	Up to \$10,000	Up to \$10,000	N/A

<b>Authority Levels</b>	<b>Agency/ARP A&amp;G</b>	<b>ARP (Non-Commodity)</b>	<b>ARP (Commodity) [1]</b>
Plant Managers	N/A	\$20,000	N/A
Manager delegated to non-manager staff	\$2,500	\$2,500	N/A
Approved Agents [5]	N/A	N/A	Up to \$5 million notional value for transactions ≤ 1 month

[1] Amounts shown represent the approval thresholds for spending authority or contract execution for business-related commodity transactions such as fuel, replacement power, and transmission, as set forth in Section 4.1 of FMPA's Origination Transaction Policy.

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

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

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

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

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

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

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

- a. If the goods and services provided are in accordance with work orders/contracts/agreements and do not result in expenditures or financial commitments exceeding the financially committed amount and the governing body approved budget, then the manager and above can approve and process invoice. Additional budget tests may exist, as further set by management.
- b. Should there be any desired change in the financial commitment (e.g., for a change order or other amendment to the existing financial commitment) that results in a higher total financial commitment, then the "Financial Commitment Authority" limits are reapplied to determine authority.

**Financial Commitment Authority** – Defined as the authorized personnel who have the ability to financially commit (sign on behalf of) the Agency (contracts, work orders, purchase orders, etc.). Authority levels are shown in the following table.

**FMPA Financial Commitment Authority Levels**

<b>Authority Levels</b>	<b>Agency/ARP A&amp;G</b>	<b>ARP (Non-Commodity)</b>	<b>ARP (Commodity) [1]</b>
General Manager	Up to \$250,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over \$250,000 reported at the next EC Meeting	<ul style="list-style-type: none"> <li>Up to \$50 million notional value for transactions &gt; 2 years but ≤ 7 years</li> <li>Up to \$15 million notional value for transactions &gt; 1 month but ≤ 2 years</li> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>
Chief Operating Officer (COO) [2]	Up to \$50,000	Up to \$150,000	<ul style="list-style-type: none"> <li>Up to \$15 million notional value for transactions &gt; 1 month but ≤ 2 years</li> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>
Generation Fleet Engineering Director and Generation Fleet Operations Director	Up to \$10,000	Up to \$50,000	N/A
General Counsel	Up to \$50,000	Up to \$50,000	N/A
VP IT/OT & Systems Ops	Up to \$50,000	Up to \$50,000	<ul style="list-style-type: none"> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>
Chief People & Member Services Officer	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$50,000	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$50,000	N/A
Chief Financial Officer	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$50,000	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$50,000	<ul style="list-style-type: none"> <li><u>Up to \$15 million notional value for transactions &gt; 1 month but ≤ 2 years</u></li> <li><u>Up to \$5 million notional value for transactions ≤ 1 month</u></li> <li><u>Up to \$5 million notional value for transactions ≤ 1 month</u></li> </ul>
Power Generation Engineer & Project Manager	Up to \$10,000	Up to \$20,000	N/A
Financial Planning, Rates, Budget, and Fuels Director	Up to \$10,000	Up to \$10,000	<ul style="list-style-type: none"> <li>Up to \$5 million notional value for transactions ≤ 1 month</li> </ul>

<b>Authority Levels</b>	<b>Agency/ARP A&amp;G</b>	<b>ARP (Non-Commodity)</b>	<b>ARP (Commodity) [1]</b>
Managers, Directors and Deputy General Counsel [4]	Up to \$10,000	Up to \$10,000	N/A
Plant Managers	N/A	\$20,000	N/A
Manager delegated to non-manager staff	\$2,500	\$2,500	N/A
Approved Agents [5]	N/A	N/A	Up to \$5 million notional value for transactions ≤ 1 month

[1] Amounts shown represent the approval thresholds for spending authority or contract execution for business-related commodity transactions such as fuel, replacement power, and transmission, as set forth in Section 4.1 of FMPA's Origination Transaction Policy.

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- a. If the goods and services provided are in accordance with work orders/contracts/agreements and do not result in expenditures or financial commitments exceeding the financially committed amount and the governing body approved budget, then the manager and above can approve and process invoice. Additional budget tests may exist, as further set by management.
- b. Should there be any desired change in the financial commitment (e.g., for a change order or other amendment to the existing financial commitment) that results in a higher total financial commitment, then the "Financial Commitment Authority" limits are reapplied to determine authority.



## FY 2027 AGENCY BUDGET

### Comparison of Proposed 2027 Budget vs. 2026 Estimate

	Estimate Fiscal year 2026	Budget Fiscal year 2027	FY 2027 Budget Above/(Below) FY 2026 Estimate	
Gross Payroll	10,231,801	10,692,232	460,431	4.5%
FICA & Medicare	782,733	817,956	35,223	4.5%
401A	1,023,180	1,069,223	46,043	4.5%
Long Term Care	13,959	12,986	(973)	-7.0%
Healthcare Insurance	1,857,985	1,938,438	80,453	4.3%
Workers Comp Insurance	51,042	55,000	3,958	7.8%
Unemployment Compensation	2,500	2,500	0	0.0%
Recruit & Relocate	140,000	140,000	0	0.0%
Wellness	40,000	40,000	0	0.0%
Tuition Reimbursement	6,000	6,000	0	0.0%
Employee Recognition	10,000	10,000	0	0.0%
Employee Activities	18,000	18,000	0	0.0%
<b>Total Payroll &amp; Benefits</b>	<b>14,177,200</b>	<b>14,802,335</b>	<b>625,135</b>	<b>4.4%</b>
Employer Dues	266,440	270,140	3,700	1.4%
FCG-Florida Electric Power Coord Group	65,000	70,000	5,000	7.7%
Subscriptions	39,938	47,134	7,196	18.0%
Employee Dues	13,711	14,895	1,184	8.6%
Office Supplies	35,028	32,550	(2,478)	-7.1%
Bank Charges	13,450	10,140	(3,310)	-24.6%
Software	727,258	725,111	(2,147)	-0.3%
Hardware	51,854	30,000	(21,854)	-42.1%
Computer Supplies	19,257	15,000	(4,257)	-22.1%
Postage	4,700	4,750	50	1.1%
Printing	16,000	16,000	0	0.0%
Telephone & Fax	58,463	58,460	(3)	0.0%
Phone Stipend	34,450	36,400	1,950	5.7%
Internet Charges	166,355	159,130	(7,225)	-4.3%
GM's Contingency	200,000	200,000	0	0.0%
Business Travel	476,244	544,600	68,356	14.4%
Training	162,950	197,560	34,610	21.2%
Management Staff Training	40,000	40,000	0	0.0%
Meetings	55,618	71,400	15,782	28.4%
FMPA Board of Directors	46,000	50,000	4,000	8.7%
All Other Operating Costs	76,968	76,900	(68)	-0.1%
<b>Total Operating Expense</b>	<b>2,569,684</b>	<b>2,670,170</b>	<b>100,486</b>	<b>3.9%</b>



## FY 2027 AGENCY BUDGET

### Comparison of Proposed 2027 Budget vs. 2026 Estimate

	Estimate Fiscal year <b>2026</b>	Budget Fiscal year <b>2027</b>	FY 2027 Budget Above/(Below) <b>FY 2026 Estimate</b>	
Lobbying	103,000	104,000	1,000	1.0%
Consultants	793,414	796,516	3,102	0.4%
Sponsorships	27,000	27,000	0	0.0%
Advertising	24,000	24,000	0	0.0%
Communications Projects & Special Events	29,000	29,300	300	1.0%
<b>Outside Services &amp; Consultants</b>	<b>976,414</b>	<b>980,816</b>	<b>4,402</b>	<b>0.5%</b>
Cyber & Property Insurance	156,131	151,071	(5,060)	-3.2%
Excess Liability Insurance	633,200	634,400	1,200	0.2%
Auto Insurance	14,720	15,006	286	1.9%
Officers Liability Insurance	186,746	190,000	3,254	1.7%
Interest Expense Admin Building	51,982	0	(51,982)	-100.0%
Utilities (Electric/Garbage/Water)	120,000	120,000	0	0.0%
Office Furniture	14,000	14,000	0	0.0%
Building Services	84,512	80,581	(3,931)	-4.7%
Building & Equipment Repairs	131,150	144,940	13,790	10.5%
Alarm Systems	11,080	10,940	(140)	-1.3%
Property Dues	6,087	6,720	633	10.4%
<b>Building, Maintenance, Equipment, &amp; Insurance</b>	<b>1,409,608</b>	<b>1,367,658</b>	<b>(41,950)</b>	<b>-3.0%</b>
Capital	1,100,000	1,100,000	0	0.0%
Pooled Loan Principal	517,797	0	(517,797)	-100.0%
Agency Working Capital	300,000	300,000	0	0.0%
<b>Balance Sheet Items</b>	<b>1,917,797</b>	<b>1,400,000</b>	<b>(517,797)</b>	<b>-27.0%</b>
<b>Agency Expenses (Budget Based)</b>	<b>21,050,703</b>	<b>21,220,979</b>	<b>170,276</b>	<b>0.8%</b>

*Green font represents a savings greater than 10%*

*Red font represents a cost increase greater than 10%*

*Blue font represents items that had no value in the comparison period*



## FY 2027 AGENCY BUDGET

### Comparison of Proposed 2027 Budget vs. 2025 Actual

	Actual Fiscal year 2025	Budget Fiscal year 2027	FY 2027 Budget Above/(Below) FY 2025 Actual	
Gross Payroll	9,490,825	10,692,232	1,201,407	12.7%
FICA & Medicare	624,405	817,956	193,551	31.0%
401A	963,729	1,069,223	105,494	10.9%
Long Term Care	13,802	12,986	(816)	-5.9%
Healthcare Insurance	1,899,330	1,938,438	39,108	2.1%
Workers Comp Insurance	50,363	55,000	4,637	9.2%
Unemployment Compensation	1,302	2,500	1,198	92.0%
Recruit & Relocate	22,935	140,000	117,065	510.4%
Wellness	27,766	40,000	12,234	44.1%
Tuition Reimbursement	1,333	6,000	4,667	350.1%
Employee Recognition	8,879	10,000	1,121	12.6%
Employee Activities	14,098	18,000	3,902	27.7%
<b>Total Payroll &amp; Benefits</b>	<b>13,118,767</b>	<b>14,802,335</b>	<b>1,683,568</b>	<b>12.8%</b>
Employer Dues	253,212	270,140	16,928	6.7%
FCG-Florida Electric Power Coord Group	45,672	70,000	24,328	53.3%
Subscriptions	111,867	47,134	(64,733)	-57.9%
Employee Dues	9,960	14,895	4,935	49.5%
Office Supplies	39,989	32,550	(7,439)	-18.6%
Bank Charges	9,922	10,140	218	2.2%
Software	603,859	725,111	121,252	20.1%
Hardware	132,480	30,000	(102,480)	-77.4%
Computer Supplies	134,882	15,000	(119,882)	-88.9%
Postage	3,667	4,750	1,083	29.5%
Printing	11,711	16,000	4,289	36.6%
Telephone & Fax	64,622	58,460	(6,162)	-9.5%
Phone Stipend	32,450	36,400	3,950	12.2%
Internet Charges	137,765	159,130	21,365	15.5%
GM's Contingency	0	200,000	200,000	N/A
Business Travel	419,526	544,600	125,074	29.8%
Training	111,204	197,560	86,356	77.7%
Management Staff Training	91,727	40,000	(51,727)	-56.4%
Meetings	56,210	71,400	15,190	27.0%
FMPA Board of Directors	58,768	50,000	(8,768)	-14.9%
All Other Operating Costs	32,507	76,900	44,393	136.6%
<b>Total Operating Expense</b>	<b>2,362,000</b>	<b>2,670,170</b>	<b>308,170</b>	<b>13.0%</b>



## FY 2027 AGENCY BUDGET

### Comparison of Proposed 2027 Budget vs. 2025 Actual

	Actual Fiscal year 2025	Budget Fiscal year 2027	FY 2027 Budget Above/(Below) FY 2025 Actual	
Lobbying	48,515	104,000	55,485	114.4%
Consultants	744,435	796,516	52,081	7.0%
Sponsorships	12,000	27,000	15,000	125.0%
Advertising	16,575	24,000	7,425	44.8%
Communications Projects & Special Events	22,847	29,300	6,453	28.2%
<b>Outside Services &amp; Consultants</b>	<b>844,372</b>	<b>980,816</b>	<b>136,444</b>	<b>16.2%</b>
Cyber & Property Insurance	132,591	151,071	18,480	13.9%
Excess Liability Insurance	555,538	634,400	78,862	14.2%
Auto Insurance	8,458	15,006	6,548	77.4%
Officers Liability Insurance	182,614	190,000	7,386	4.0%
Interest Expense Admin Building	164,003	0	(164,003)	-100.0%
Utilities (Electric/Garbage/Water)	93,338	120,000	26,662	28.6%
Office Furniture	20,014	14,000	(6,014)	-30.0%
Building Services	61,908	80,581	18,673	30.2%
Building & Equipment Repairs	194,004	144,940	(49,064)	-25.3%
Alarm Systems	7,560	10,940	3,380	44.7%
Property Dues	4,629	6,720	2,091	45.2%
<b>Building, Maintenance, Equipment, &amp; Insurance</b>	<b>1,424,657</b>	<b>1,367,658</b>	<b>(56,999)</b>	<b>-4.0%</b>
Capital	500,004	1,100,000	599,996	120.0%
Pooled Loan Principal	475,203	0	(475,203)	-100.0%
Agency Working Capital	300,000	300,000	0	0.0%
<b>Balance Sheet Items</b>	<b>1,275,207</b>	<b>1,400,000</b>	<b>124,793</b>	<b>9.8%</b>
<b>Agency Expenses (Budget Based)</b>	<b>19,025,003</b>	<b>21,220,979</b>	<b>2,195,976</b>	<b>11.5%</b>

*Green font represents a savings greater than 10%*

*Red font represents a cost increase greater than 10%*

*Blue font represents items that had no value in the comparison period*

## Overview of FMPA's Agency Budget

FY 2026 Estimate VS. FY 2027 Budget  
Whole Thousands (US\$)

Change in Budget from prior year		What is driving this change				
Estimated FY 26	\$	21,051	(1) Payroll	\$	496	291%
Budget FY 27	\$	21,221	(2) Benefits	\$	129	76%
			(3) Operating Expense	\$	100	59%
			(4) Outside Services	\$	4	3%
			(5) Building Maintenance	\$	(42)	-25%
			(6) Balance Sheet Items	\$	(518)	-304%
Difference	\$	170		\$	170	100%

### (1) Payroll

Payroll	\$	460
Payroll Taxes	\$	35
	\$	496

### (2) Benefits

Healthcare Insurance	\$	80
401A Contributions	\$	46
Other Miscellaneous Costs	\$	3
	\$	129

### (3) Operating Expense

Computer Hardware	\$	(22)
Subscriptions	\$	7
Computer Software	\$	(2)
Training	\$	35
Meetings	\$	16
Business Travel	\$	68
Other Miscellaneous Costs	\$	(1)
	\$	100

### (4) Outside Services

Consultants	\$	3
Comm. Projects & Special Events	\$	0
Lobbying	\$	1
Other Miscellaneous Costs	\$	-
	\$	4

### (5) Building Maintenance & Equipment

Building Maintenance and Repairs	\$	14
Excess Liability Insurance	\$	1
PLoan Interest	\$	(52)
Officers Liability Insurance	\$	3
Other Miscellaneous Costs	\$	(8)
	\$	(42)

### (6) Balance Sheet Items

Capital Expenditures	\$	-
Working Capital	\$	-
PLoan Principal	\$	(518)
	\$	(518)

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- b. Proposed Reduction to Agency  
Allocation for Retired Projects**

**Finance Committee Meeting  
April 15, 2026**



# **9b – Proposed Reduction to Agency Allocation for Retired Projects**

Finance Committee

April 15, 2026

# Proposing \$50k Agency Allocation for Stanton & Tri-City

## *Administrative Burden Lower for Retired Projects*

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- Stanton & Tri-City Projects currently pay 3.5% of annual budgeted Agency costs (\$528k each for FY 2026)
- With Stanton 1 exit, administrative costs for these projects should drop significantly, making 3.5% allocation too high
- Staff proposing \$50k allocation for each project for FY 2027, paid from accrued reserves (~0.3% each of proposed FY 2027 Agency budget)
- Board must approve any change to allocation structure
- Staff will monitor actual costs to support and propose adjustment if \$50k determined to be too low

# Recommended Motion

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- No action requested. For information only.

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. Update for Risk Management  
Policy**

**Finance Committee Meeting  
April 15, 2026**



# 9c – Update for Risk Management Policy

Finance Committee

April 15, 2026

# Summary of Policy Updates

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- **Purpose:**

- Review and approve correction to FMPA's Fuel Portfolio Risk Management Policy
- Separating fuel oil storage from natural gas storage
- Applying the correct leadership hierarchy to new sections

# What Changed?

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- Before:
  - The Natural Gas and Fuel Oil are in one section with one control
  - Some Fuel Oil process was controlled by CFO when that process is under the COO
- Now:
  - The Natural Gas storage policy and Fuel Oil storage policy are in different sections
  - The new sections have the correct leadership hierarchy assigned

**FLORIDA MUNICIPAL POWER AGENCY  
RISK MANAGEMENT POLICY - APPENDIX A  
FUEL PORTFOLIO MANAGEMENT POLICY**

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**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
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## **FUEL PORTFOLIO RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY**

This Fuel Portfolio Risk Management Policy (the “Policy”) and any effective subordinate procedures establish the governance, framework and controls under which Florida Municipal Power Agency (“FMPA” or “Agency”) may engage in activities to identify, measure and minimize future business risk impacting the All Requirements Power Supply Project (“ARP”) resulting from price and/or supply uncertainty in the natural gas and fuel oil markets. This Policy is Appendix A of the FMPA Risk Management Policy.

### **1.0 Policy Statement**

The Executive Committee (“EC”) of FMPA recognizes that FMPA is exposed to various risks specific to generation fuel as an integral aspect of the normal course of business activities. There may be times when FMPA will determine that certain risks are above the risk tolerance levels expressed by FMPA’s members. As such, FMPA staff is hereby authorized to implement various mechanisms, such as those more fully described throughout Sections 5, 6, and 7 of this Policy, which will control, transfer, or mitigate these risks to help safeguard the Agency’s ability to provide reliable power.

The design standards of this Policy ensure that the risk control oversight functions are independent from any asset management or daily operational activities. Further, any and all actions taken by FMPA are strictly to provide reliable power to the ARP members and manage any associated risks deemed appropriate by the ARP members and will not be speculative in nature to achieve additional monetary gain using the commodity market.

The following summarizes the Policy of the EC:

- ❖ FMPA is granted authority to enter into natural gas transportation contracts, storage agreements, physical purchase and sales contract commitments, or financial purchase and sales contracts, subject to the details on authorized products which are contained in Section 5.0 of this policy.
- ❖ FMPA is authorized to enter into “Enabling Agreements” that define the terms and conditions of any subsequent transaction agreements related to generation fuel commodity purchases, sales, storage, transportation or risk mitigation transactions. Details of these authorized Enabling Agreements are contained in Section 5.4 of this policy.
- ❖ FMPA may undertake natural gas or fuel oil risk mitigation transactions with the specific prior approval of the EC.
- ❖ Section 5.4.4 of this Policy sets defined limits for purchased physical natural gas volumes.
- ❖ Section 7.1 of this Policy sets defined limits for purchased fuel oil quantities.
- ❖ Section 6.1 of this Policy sets defined limits for natural gas storage quantities.
- ❖ Section 6.2 of this Policy sets defined limits for natural gas entitlement capacity.

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
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- ❖ All individuals authorized to execute trades shall be approved by the CEO and reported to the and Finance Committee (“FC”).
- ❖ Authority is delegated to the Chief Financial Officer (CFO) (or designee) over the natural gas program and to the Chief Operating Officer (COO) (or designee) over the fuel oil program to cause the creation and subsequent administration of any underlying procedures defined by this Policy and deemed appropriate and/or necessary.
- ❖ Deviations from this Policy shall be reported to the FC as prescribed in Section 4.1 of the FMPA Risk Management Policy.

## **2.0 Scope**

FMPA is exposed to risk by its participation in the physical natural gas and fuel oil commodity market and the corresponding financial derivative market for each respective underlying commodity. FMPA participates in various mitigation efforts in order to manage exposure to these risks. Without risk management, FMPA’s ARP is subject to potentially significant energy rate volatility and operational reliability limitations that result from generation fuel cost changes, fuel receipt/delivery constraints, and cash flow requirements to meet operational cost liabilities and obligations.

Mitigation efforts would consist of executing physical and financial transactions designed to reduce the ARP’s exposure to energy rate volatility and operating risks associated with its need to participate in the physical commodity market to ensure delivery of generator fuel, as required, for generating power to meets its obligations and commitments.

## **3.0 Objectives**

The objective of the risk management program described in this Policy is to identify risk exposures; to understand their potential impact on the ARP’s financial statements and continued economic well-being; to measure and report these impacts; and to take appropriate steps to manage or mitigate any adverse effect to an acceptable level as specified by the EC. This will be accomplished through the use of operational techniques and trading instruments which are consistent with this policy.

### **3.1 Manage Generation Fuel Requirement Projections:**

FMPA shall strive to effectively manage its natural gas and fuel oil programs. It is expressly understood that risk management is intended to mitigate exposure to adverse outcomes and is not intended to result in increased financial profitability or result in the lowest cost for natural gas and fuel oil. The purpose of this Policy is to ensure that planning and control methods are in place and utilized to manage generation fuel supply reliability with consideration to a reasonable outage of FGT Zone 3 pipeline or seasonal weather event.

### **3.2 Manage Volumetric Exposure:**

FMPA shall only manage its physical natural gas and fuel oil volumetric requirements related to serving the needs of the ARP or other firm obligations. Fuel volume requirements are based on dynamically changing variables such as load forecasts, weather forecasts, generation resource availability, and projections of optimal generation unit dispatch. Changes in any of these variables will impact the ARP's required quantities of natural gas and/or fuel oil and inhibit the intended effectiveness of this Policy. To mitigate these impacts, this Policy defines review and update parameters to revise volumetric exposure projections in Section 0.

### **3.3 Maintaining Balance between Cost and Reliability:**

FMPA's efforts strive to control costs and ensure reliable delivery of electric power to its members and other commitments, if any. Ensuring the highest level of reliability is in opposition to achieving the lowest possible cost. Equilibrium between cost and reliability to achieve the desired balance is defined and established by the EC. Staff will bring forward long-term strategic decisions of fuel consideration to EC.

## **4.0 Types of Risk**

This Policy establishes minimum standards to support an Agency-wide atmosphere of risk control measures to provide reliable power at market prices. The CFO will ensure that procedures, as needed, are created and followed for the natural gas risk areas noted below, and the COO will ensure that procedures, as needed, are created and followed for the fuel oil risk areas noted below, and define ways for measuring and controlling these risks to within defined levels of exposure as established by the EC. The FMPA Risk Management Policy identifies ten areas comprising FMPA's key risk areas. While not intended to be a comprehensive listing of all risks encountered in its normal business cycle by FMPA, the framework provides insight into the major areas of exposure. The following identified areas are the risks most typically faced when managing any commodity intensive business like the power generation industry.

### **4.1 Market Risk:**

The risk of potential change in the value of an asset caused by adverse changes in market factors. An example is the commodity price risk that occurs when FMPA purchases fuel, usually natural gas, for its generating facilities. The timing and unit price of these fuel purchases expose FMPA to potential adverse or beneficial cost impacts with changing market conditions.

#### **4.1.1 Price Risk:**

The uncertainty associated with changes in the unit price of an underlying commodity. For example:

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

A fixed price fuel purchase can create market risk. The fixed purchase price set for a future delivery period may not reflect the then current market price when delivery is made. If the market price is less than the pre-established purchase price, the purchase cost would be higher than market. Conversely, if the market price was higher, then the purchase cost would be less than market.

Price risk can be caused by any one or a combination of the following:

- 1) Changes in the value of wholesale energy transactions (i.e. \$/MWh),
- 2) Commodity fuel costs (i.e. \$/MMBtu),
- 3) Basis exposure due to the value difference of a commodity at different geographic locations (i.e. gas price at a pipeline receipt point versus the pipeline delivery point),
- 4) Index Price Risk is the exposure created by the process to establish a unit index value of an underlying commodity at a given location. This generally entails surveys of buyers and sellers at that location and weighing the results to determine the “Index” value,
- 5) Intra-Month Price Risk is the daily changes in the unit price of a commodity at a given geographic location during a given month of flow (the monthly index price vs the daily index price, etc.).

**4.1.2 Liquidity Risk:**

The risk associated with a constrained or limited ability for transacting trades, causing a potential inability to acquire a commodity when needed or to liquidate a previously acquired commodity that is no longer needed. For example:

In the fixed price fuel purchase example above, finding a buyer of the fuel purchase might prove difficult to find if, prior to the delivery period, it was desired to eliminate the purchase obligation. In general, a physical trade has greater liquidity risk than a financial trade.

**4.1.3 Margin Risk:**

The risk that a portfolio’s overall net value might decrease to certain predetermined credit exposure thresholds that requires the portfolio holder to post collateral. This can be measured by margin-at-risk metrics which gauge 1) the probability that a portfolio’s value will adversely change sufficiently to initiate a margin call and 2) the magnitude of any resulting required collateral posting.

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**4.1.4 Volumetric Risk:**

The risk that the quantity of fuel supply projected to be required during a future period is either over or underestimated from actual requirements during the period. For example:

Volume risk occurs when a sudden change in the daily fuel needs, resulting from a forced outage of a generation facility, causes a fuel quantity surplus. Volume risk can also include circumstances where supply was acquired using a previous longer-term forecast that later exceeds the defined limits of this Policy as a result of reductions of fuel needs in subsequent forecasts.

**4.1.5 Calendar Risk:**

The risk associated with differences of unit commodity value resulting from the time disparity between the settlement date of a financial instrument (contract index posting, swap, option, etc.) and the actual market price of the underlying physical commodity at time of delivery.

**4.2 Credit Risk:**

The potential for financial loss due to adverse changes to the credit rating of a counterparty that increases the potential of their inability to fulfill the terms of a contract or financial commitment. An example of this type of risk would be the exposure of a counterparty failing to pay the financial gains due that resulted from the settlement of a financial transaction. FMPA would be exposed to the current market price for the corresponding quantity defined by the transaction in addition to the costs related to establishing the transaction's position(s), if any (i.e. broker fees, transport commitments, etc.).

Credit risk exposure is significantly lower when transacting on the New York Mercantile Exchange (NYMEX) versus transacting via the Over the Counter (OTC) market, though there are exceptions. The credit risk associated with exchange traded instruments is mitigated since the government regulated institutional exchanges guarantee financial performance through margin posting and are further backed up by the actual exchange members, if necessary.

Credit risk exposure does exist for OTC traded transactions because the financial integrity of the trade is totally dependent upon the counterparty's ability or willingness to perform. Credit risk primarily applies to physical commodity transactions. The failure to deliver or receive purchased natural gas or fuel oil under a long-term commitment could expose FMPA to purchasing/selling quantities above or below cost, especially during periods of fuel shortages and/or surplus.

### **4.3 Administrative Risk:**

The potential of financial loss arising from deficiencies of internal control structures and/or management reporting resulting from human error, fraud and/or system failures. An example would be failing to implement the necessary accounting system modifications required by changes in generally accepted accounting practices (GAAP) and any associated reporting requirements. The Agency must ensure that proper accounting treatment is being used for booking transactions and that processes comply with changes in applicable financial accounting standards that impact the timing of financial recognition and/or rate determination.

## **5.0 Fuel Portfolio Risk Management and Price Stability Program**

The natural gas and fuel oil risk management program will be based on the following components:

The stability program uses a tiered strategy for natural gas procurement based on the time horizon, with a recommended distinct maximum, target, and minimum hedging levels specified for each year over a three-year period. Procurement activities shall be data-driven, considering current market trends, natural gas price forecasts, and the ARP's operational needs and financial objectives.

### **5.1 Authorized Strategies:**

FMPA as authorized by the Executive Committee ("EC"), adopts a tiered natural gas procurement strategy over a rolling three-year horizon. Distinct hedging ranges and target levels are established for each season within each year. Procurement activities shall be data-driven and shall consider prevailing market conditions, natural gas price forecasts, and the All-Requirements Project's operational requirements and financial objectives. All transactions shall be executed at a weighted-average cost less than or equal to EC-approved price target thresholds. Trade sizing for each transaction shall be at the discretion of an authorized trader, subject to the hedging ranges and target levels referenced above and all applicable internal controls and approvals.

### **5.2 Price Stability Program:**

FMPA's approach to long-term natural gas procurement for the ARP is intended to balance the need for price stability with the flexibility to reflect on market conditions. This is accomplished through a structured, tiered strategy that sets out specific hedging ranges for each year, allowing for adjustments based on market conditions and the FMPA's rate expectations.

#### **5.2.1 Year 1 (0 - 12 Months)**

The intent is to ensure a recommended minimum, 60% (sixty percent) of the estimated All Requirements Project (ARP) usage of natural gas to serve native load is procured, with a

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

maximum limit not to exceed 75% (seventy-five percent). To accommodate seasonal variations in natural gas usage and market conditions, the following seasonal procurement ranges are established: Summer Range: During the summer months, defined as April 1st through October 31st, the ARP intent should not be less than 65% (sixty-five percent) and not more than 75% (seventy-five percent) of the estimated ARP usage for the period. Winter Range: During the winter months, defined as November 1st through March 31st, the ARP shall consider and restricted to not more than 75% (seventy-five percent) of the estimated ARP usage for the period.

**5.2.2 Year 2 (13 - 24 Months)**

The intent for year two, natural gas procurement shall target a recommended minimum of 25% (twenty-five percent) and a maximum of 50% (fifty percent) of the estimated ARP usage. This adjustment aims to provide more mid-term flexibility in response to anticipated market volatility and to optimize cost efficiency over time. To accommodate seasonal variations in natural gas usage and market conditions, the following seasonal procurement ranges are established: Summer Range: During the summer months, defined as April 1st through October 31st, the ARP intent should not be less than 40% (forty percent) and restricted to not more than 50% (fifty percent) of the estimated ARP usage for the period. Winter Range: During the winter months, defined as November 1st through March 31st, the ARP intent should not be less than not more than 50% (fifty percent) of the estimated ARP usage for the period.

**5.2.3 Year 3 (25 - 36 Months)**

The intent for year three, natural gas procurement shall target a recommended minimum of 0% (zero percent) and a maximum of 25% (twenty-five percent) of the estimated ARP usage. This adjustment aims to provide more long-term flexibility in response to anticipated market volatility and to optimize cost efficiency over time. To accommodate seasonal variations in natural gas usage and market conditions, the following seasonal procurement ranges are established: Summer Range: During the summer months, defined as April 1st through October 31st, the ARP intent should not be less than 5% (five percent) and not more than 25% (twenty-five percent) of the estimated ARP usage for the period. Winter Range: During the winter months, defined as November 1st through March 31st, the ARP intent should not be less than 0% (zero percent) and restricted to not more than 25% (twenty-five percent) of the estimated ARP usage for the period.

**5.3 Discretionary Buying**

The discretionary buying authority vested in the CFO or a duly designated representative is critical to the ARP's flexible approach to natural gas procurement. This authority enables the execution of futures, International Swaps and Derivatives Association (ISDA) agreements, swaps, and firm fixed physical natural gas transactions.

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
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(Continued)

### **5.3.1 Authority and Responsibilities**

The CFO, or designated representative, is empowered to execute natural gas transactions within the established hedging ranges and currently approved price targets without requiring additional approvals.

### **5.3.2 Decision-Making Criteria**

Prior to executing any transaction, the authorized individual must perform an analysis of current market conditions. This includes assessing supply and demand forecasts,

geopolitical factors influencing the natural gas markets, and any other information offered by authorized traders.

### **5.3.3 Oversight and Separation of Duty**

The Strategic Planning department, through the development and maintenance of production simulation models, will provide guidance on the volume of ARP gas forecasted to be burned to supply native load for each month over the stability program's time horizon. These models will be updated not less than semi-annually to reflect the most current forecasts of loads, generation operations, fuel costs, and other factors that could impact forecasted gas burns. An audit will review the number of contracts hedged and any other relevant market activities to ensure compliance with the policy guidelines.

### **5.3.4 Reporting and Transparency**

The CFO is required to submit a comprehensive report to the Executive Committee on a quarterly basis. This report must detail all transactions conducted under this discretionary authority, analyze the outcomes, assess the effectiveness of the strategies employed, and, if necessary, recommend adjustments to the previously approved volumes or prices.

### **5.3.5 Training and Competency**

FMPA will provide ongoing training and resources to the CFO and any designated representatives to ensure they are well-versed in the latest market insights, risk management strategies, and ethical considerations relevant to the exercise of discretionary buying power. The training will include, but is not limited to, advanced market analysis techniques, ethical procurement practices, utilization of market trading software, and updates on regulatory changes affecting the natural gas market. Training entities may include, for example, the Florida Gas Utility (FGU) and The Energy Authority (TEA).

## **5.4 Enabling Agreements:**

Master Agreements or enabling agreements establish the general terms and conditions that govern any subsequent commodity or derivative product transaction with a counterparty. These Master Agreements are a prerequisite for doing business in today's commodity marketplace. They, by their very nature, only define general terms and conditions and do not

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
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commit FMPA to any form of financial or physical obligation. As such, FMPA is authorized to execute these types of enabling agreements without individual EC approval and their execution is governed pursuant to the Contract Management Risk Policy. All other aspects of any subsequent transaction are governed by the Origination Risk Policy. Types of these enabling agreements include utility interchange agreements, NAESB form contracts, EEI form contracts, and ISDA form contracts.

## **5.5 Authorized Transactions:**

The following types of risk mitigation instrument transactions are authorized by the EC but are limited to only the purchase or sale of these instruments solely for near term price risk mitigation of projected physical fuel requirements and/or financial exposure to the fuel purchase requirements of others for serving FMPA generation assets (Stanton A would be an example of this exposure where OUC manages the fuel supply) and/or long-term energy supply purchase commitments.

### **5.5.1 Exchange Based Futures:**

FMPA is authorized to set up accounts with one or more licensed brokerage firms in order to purchase or sell futures contracts or other exchange offered products through a recognized exchange such as the NYMEX. Alternatively, FMPA is authorized to designate an agent through which to transact exchange traded products.

### **5.5.2 Over-the-Counter Transactions (OTC):**

FMPA is authorized to negotiate and execute ISDA agreements (refer to Section 0) and subsequently, pursuant to an approved risk mitigation program (refer to Section 0), transact with counterparties in order to purchase and/or sell derivative products such as forwards, swaps, and options on forwards or any combination of the same.

A comparison is included in Exhibit B of the characteristic features of Exchange versus OTC transactions.

New and existing transactions using the OTC market are subject to the Credit Risk Policy, Appendix E of the FMPA Risk Management Policy.

### **5.5.3 Forward Physical Purchases:**

FMPA is authorized to negotiate, contract with, and purchase physical quantities of natural gas and fuel oil pursuant to the Credit Risk Policy and the Origination Risk Policy.

All physical purchases of natural gas shall be coordinated through an FMPA designated fuel agent to schedule, receive, transport and deliver such purchased gas volumes. Any forward purchases of natural gas or fuel oil must be limited to the

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
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physical volume requirements forecast for only serving the energy requirements of the ARP and its obligations, if any.

Any natural gas purchases or sales greater than a one-month (thirty-one days) duration shall be pursuant to the approval process defined by the Origination Policy prior to any commitment, i.e. the defined approval authority of the FMPA staff member making such commitment.

**5.5.4 Physical Natural Gas Purchases:**

Physical natural gas purchases with a term of one month (thirty-one days) or greater will not exceed 75% of the respective native ARP and firm obligations monthly fuel needs based upon the most recent load forecast and generation dispatch projection at the time of the commitment of such purchases.

To ensure monthly fuel needs are as current as possible, each month an updated load forecast/dispatch projection will be generated no later than five (5) business days

prior to the beginning of the following month. This forecast projection will be the basis for determining the 75% fuel need maximum described above. Pre-paid gas transactions are exempt from this cap and shall comply with EC-approved pre-pay limits and approvals.

**5.5.5 Fixed Price Physical Natural Gas Purchases:**

Any fixed price purchase with a duration of greater than one month is viewed as a near term price risk mitigation transaction and requires the approval of the EC prior to commitment unless such fixed price purchase is pursuant to an approved price risk mitigation strategy as described in Section 0 above.

**5.5.6 Natural Gas Storage:**

Upon approval of both the FC and the EC, FMPA may enter into natural gas storage agreements. Counterparties are subject to the Credit Risk Policy. The primary purpose of any natural gas storage agreement shall be to ensure the reliability of natural gas supplies. Secondly, natural gas storage may be used as an operational pipeline balancing tool or in conjunction with other authorized energy management transactions when financially advantageous for the ARP, as determined by a storage management agent if no such agent is authorized.

**5.5.7 Fuel Oil Storage:**

The primary purpose for maintaining a minimum amount of fuel oil shall be to ensure that a reasonable level of alternate fuel is available for dual fuel fired generating units in the event, natural gas deliveries are reduced or interrupted due to supply and/or pipeline constraints. Recognizing that the Stock Island generating units operate

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solely with fuel oil, the minimum inventory criteria apply to the Island's fuel oil storage inventory as well.

**5.5.8 Natural Gas Entitlement Capacity:**

Natural Gas Entitlement Capacity is needed to secure firm delivery of natural gas to generation assets. Natural gas pipeline companies generally offer two basic forms of service for the transportation of gas from receipt point(s) to the desired delivery locations. The first type is referred to as "interruptible", where a shipper's scheduled volumes submitted are subject to being curtailed anytime the pipeline becomes capacity constrained even if gas has been delivered at the receipt points. The shipper is only charged for this service based upon the quantity of gas that was successfully delivered. The pipeline has no obligation to ensure delivery of gas volumes when using this form of transportation service.

The second form of service is referred to as "firm", where the shipper pays the pipeline a reservation fee (commonly referred to as a capacity or demand charge) each month based upon the daily delivery obligation of the pipeline. When a shipper contracts for this form of "firm" service, the pipeline has committed to the obligation to deliver whatever quantity that has been scheduled up to the contracted capacity quantity. If the pipeline becomes capacity constrained, then each firm shipper would have their scheduled volume curtailed on a pro-rata basis.

FMPA has contracted firm service primarily upon Florida Gas Transmission (FGT) for the delivery of natural gas fuel to its generating assets to ensure that each gas fired unit is able to operate when needed. FMPA also has the ability to receive gas volumes from Gulf Stream Natural Gas System at the Cane Island Power Park. The combination of these two arrangements ensures that FMPA can ensure delivery of natural gas as required to generate power in a reliable manner as needed to meet its load serving obligations to its members.

**5.5.9 Pre-pay Physical Natural Gas Renewals:**

For any existing pre-pay physical natural gas agreements where the "Put" period renews and/or resets, staff shall have the authority to extend the agreement once up to the original term (30 years) if the expected monthly discount exceeds \$0.08 MMBtu as compared to the remaining term of the original renewal period. This authorization shall remain in effect until September 30, 2029.

**6.0 Natural Gas Risk Limits and Measurement**

FMPA may only enter into transactions to manage risks associated with the physical and financial exposure related to meeting the ARP's forecast natural gas requirements, and only to fulfill all applicable native ARP and firm obligations.

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Proactive monitoring of current market performance, existing and potential risk exposure, risk management alternatives (acquiring or liquidating positions), and evaluation of prior strategic results are necessary to ensure the goals and expectations defined by this Policy are achieved.

The CFO shall use the following limits and measurements, as calculated using applicable reference pricing, to monitor the performance of and compliance with current approved risk management strategies and procedures.

Before any natural gas transaction is executed, the individual executing the transaction is required to ensure that it is compliant with the parameters of this Policy, any approved price risk mitigation program, if any, and respective periodic reviews by the CFO. This requirement will be fulfilled by analyzing the natural gas portfolio and any associated risk mitigation transactions to ensure that the resulting incremental credit and market exposures do not exceed any defined limits set forth in this Policy.

### **6.1 Natural Gas Storage Limits:**

The requirement for storage limits should be applied only if there is more than 500,000 MMBtu of capacity available to ARP. If storage capacity is below 500,000 MMBtu, there will not be any minimum requirements as outlined in section 6.0.

The minimum inventory volume of natural gas in storage during the primary hurricane season (June through November) shall be 50% of FMPA's contracted storage capacity. During all other months the minimum level of storage inventory shall be 10% of contracted storage capacity.

#### **6.1.1 Outsourcing:**

FMPA may outsource the management of its natural gas storage capacity for optimizing this asset by issuing a Request for Proposal ("RFP"). Final selection of the qualified storage management agent ("Agent") must be approved by the FC and EC.

The Agent must comply with FMPA Directives and the terms and conditions of FMPA's managed natural gas storage contracts and all applicable tariffs and other legal requirements. The agent will be granted access to trading platforms or other needed counterparty information required to execute transactions within FMPA's

contractual relationships. The Agent must agree to the obligations of this Policy and FMPA's respective counterparty trading account(s) requirements.

#### **6.1.2 Annual Storage Plan:**

The Agent must provide an Annual Storage Plan for the upcoming fiscal year to FMPA by August 1 of each year for approval by EC

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY**

(Continued)

**6.1.3 Storage Optimization Restrictions:**

Storage management activities shall strive to generally maintain a net zero optimization position. Net zero optimization is when all physical gas stored in the ground (Storage) and/or financial long/short positions (i.e. purchased/sold NYMEX natural gas contracts or their equivalent) representing volumes to be injected/withdrawn in a forward period has an off-setting financial long/short position (i.e. purchased/sold NYMEX natural gas contracts or their equivalent) representing volumes to be withdrawn/injected in a forward period (Transaction)).

1)

Any “net zero” tolerance deviation greater than 10,000 MMBtu and less than 50,001 MMBtu (“Minor Tolerance Deviation”) must be corrected by the end of the fifth (5th) business day following the day on which it occurred and must be reported by the Agent on a monthly basis, with sufficient details to explain why the Minor Tolerance Deviation occurred.

2)

Any “net zero” tolerance deviation greater than 50,000 MMBtu (“Major Tolerance Deviation”), must be reported by the Agent. Such Major Tolerance Deviation report will be in writing detailing the circumstances of the deviation within three business days of the occurrence.

FMPA’s CEO must authorize any net zero imbalance outside of approved limits.

**6.1.4 Optimization Trade Period:**

Storage management transactions are restricted for the settlement date to be no more than 24 months into the future from the transaction date of the trade.

**6.1.5 Inventory Limit Deviations:**

Storage inventory levels may deviate outside of the above stated limits only when required to meet FMPA’s operational requirements (“Reliability Event”). The Agent shall inform FMPA’s CFO immediately after any such Reliability Event. Within 3 business days after such Reliability Event, the Agent shall provide FMPA’s CFO

with a written action plan to reestablish the pre-Reliability Event inventory level unless such level has already been achieved.

**6.1.6 Storage Management Reports:**

The Agent shall provide storage management reports for each FC meeting. These reports shall include physical gas inventory and any optimization transactions.

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

**6.1.7 Cash Flow Report:**

The Agent shall provide, by the fifth of each month, a cash flow report detailing the impacts of existing and projected storage management activities for review by the CFO. If directed, the Agent must contractually agree to adjust storage inventory to meet FMPA's liquidity requirements.

**6.2 Natural Gas Entitlement Capacity**

Long-term NGEC shall be reviewed for adequacy as part of the planning process for major changes to the generation portfolio. To ensure a high level of reliability, staff shall target acquiring and maintaining NGEC for at least 70% of the monthly system demand projected. Monthly system demand may be derived from the average of the daily demand projections for each month.

Short-term NGEC management, up to one year, will allow for daily or monthly NGEC sales to be in excess of the expected daily or monthly maximum system demand.

**7.0 Fuel Oil Risk Limits and Measurement**

The COO shall use the following limits and measurements to monitor compliance with current approved fuel oil strategies and procedures.

**7.1 Fuel Oil Storage Limits:**

The Agency shall maintain, as conditions warrant, a fuel oil inventory of no less than 50% and no more than 100% of available storage tank capacity located at Cane Island Power Park and Treasure Coast Energy Center. In the event that the fuel oil inventory falls below 50% at a generation site, the Power Generation Fleet Director will implement an action plan to achieve the minimum 50% inventory level within a reasonable period of time or provide justification for a reduced inventory level. This plan or justification will be provided to FMPA's COO for review and approval. Agency shall maintain, as conditions warrant, fuel oil inventory at Stock Island Generating Facility, which will support the 17-day historical hurricane restoration operations load curve developed by staff or approximately 2,800,000 gallons. Staff will ensure this required minimum volume is in place before hurricane season, June 1st. In the event that the fuel oil inventory falls below 50% of the 17-day benchmark, the Power Generation Fleet Director will implement an action plan to achieve the minimum 50% inventory level within a reasonable period of time or provide justification for a reduced inventory level. This plan or justification will be provided to the COO for review and approval.

Processes will be implemented and maintained to minimize the environmental risk at all the generating sites. These procedures, at a minimum, will consist of:

- Fuel inventory management

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
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- Thorough tank inspections
- Timely and accurate fuel inventory accounting records
- Dynamic fuel oil measurement
- Delivery of fuel oil by tanker truck only

## **8.0 Internal Controls**

The CFO shall be responsible for the establishment of appropriate internal controls and segregation of duties for the natural gas risk mitigation program, and the COO shall be responsible for the establishment of appropriate internal controls and segregation of duties for the fuel oil risk mitigation program, consistent with this Policy and in accordance with all policies and procedures established by the FMPA Risk Management Policy, or by NERC and FERC regulations.

### **8.1 Segregation of Duties:**

Individuals responsible for legally binding the organization to a transaction will not also perform confirmation, clearing and/or accounting functions related to those transactions. The official book of record of FMPA shall also be maintained by a person(s) other than those executing such transactions. This maintenance responsibility includes the valuation of mark-to-market positions (when applicable) and the calculation of applicable risk metric(s). Clear separation of duties shall be maintained between the front office (marketing functions and transaction execution), the middle office (confirmation, valuation, and reporting functions), and the back office (processing, accounting, invoicing and reconciliation activities).

### **8.2 Policy Compliance:**

The Internal Audit Manager shall ensure that compliance with this Policy and associated Procedures are monitored on an ongoing basis. Any unresolved compliance issues will be presented to the FC by at the next regularly scheduled meeting.

### **8.3 Conflicts of Interest:**

Personnel responsible for executing and managing the Agency's trading activity shall not engage in any activity that could pose a conflict of interest and interfere with the proper execution of Agency risk mitigation activities or which could impair their ability to make impartial and objective trading decisions. Such personnel shall disclose to the any personal financial interests in any financial institutions, firms, or other entities that conduct business with FMPA.

### **8.4 Policy Questions:**

The is authorized to provide clarification and explanation on any questions regarding this Policy. All legal matters stemming from this Policy will be referred to the Agency's Office of the General Counsel.

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FOR FLORIDA MUNICIPAL POWER AGENCY  
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### **8.5 Training:**

Appropriate training on the risks associated with different market conditions, financial products and physical products shall be provided as needed to educate appropriate FMPA staff and governing body members.

### **9.0 Reporting**

Current market conditions affecting FMPA's natural gas and fuel oil costs, risk management programs, or FMPA's current financial and physical risk management strategies shall be reported during each meeting of the FC and/or EC. Then on a quarterly basis a full report of the Fuel Portfolio Risk Management and Price Stability Program shall be provided. This report should include but not limited to: The volume of all natural gas positions, past quarters margin requirements, and the current percent mitigated to the EC target numbers. As well as, any additional relevant information about FMPA's natural gas and fuel oil risk management program and activities.

Acceptance of the reported information by the FC and/or the EC is required

The shall report any deviations from this Policy according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The shall cause an annual report to be completed on the operation and effectiveness of this Fuel Portfolio Risk Management Policy as described in the FMPA Risk Management Policy, Section 7.0.

### **10.0 Oversight Structure**

Any material 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 presented to the Finance Committee as described in Section 7.0 of the FMPA Risk Management Policy.

## Appendix A

### Florida Municipal Power Agency Risk Management Reporting Calendar

#### Natural Gas and Fuel Oil Risk Management Planning Reporting Requirements

Reporting Item	Frequency Of Report	Responsible Party	Policy Reference	Policy Reference
Volumetric Projection Update	Monthly	Business Development and System Operations Director	Section 0	5.5.4 Physical Natural Gas Purchases:
Annual Storage Plan and Update*	Annually	Agent	Section 0	6.1.2 Annual Storage Plan:
Storage Balance Restriction Deviations*	As Needed	Agent	Section 0	6.1.3 Storage Optimization Restrictions:
Reliability Event*	As Needed	Agent	Section 0	6.1.5 Inventory Limit Deviations:
Storage Report*	Each FC Meeting	Agent	Section 0	6.1.6 Storage Management Reports:
Storage Cash Flow*	Monthly	Agent	Section 0	6.1.7 Cash Flow Report:
External Review	Every five years	Agent	Section 8.2	8.2 Policy Compliance:
Fuel Oil Action Plan	As Needed	Power Generation Fleet Director	Section 7.1	7.1 Fuel Oil Storage Limits:
Market Conditions	Each FC Meeting	Agent	Section 9.0	Reporting
Fuel Portfolio Risk Management and Price Stability Program	Quarterly	Agent	Section 9.0	Reporting
Policy Operation & Effectiveness	Annually	Agent	Section 9.0	Reporting
Policy Compliance Deviations	As Needed	Internal Audit Manager	Section 8.2	8.2 Policy Compliance:

\*these reports are required only if there is more than 500,000 MMBtu of capacity available to ARP.

## Appendix B

### Features of Exchange Traded vs. Over-The-Counter Traded Products

FEATURES	Exchange Traded	Over-The-Counter
Examples	Futures and Options	Swaps, Caps, Floors, Collars, etc.
Market	Organized exchanges in Chicago, New York, Kansas City, and other commodity markets around the world.	Networks consisting of market makers who exchange information, provide bids/offers, and negotiate transactions.
Agreements	Standardized contracts.	Custom-tailored to meet any specific needs of the counterparties within accepted guidelines (NAESB, EEI, ISDA).
Risk	Guaranteed contract performance.	Performance, default and/or credit risk to the counterparties.
Regulation	U.S. exchanges regulated by Commodity Futures Trading Commission CFTC).	Not formally regulated.
Ability to Value	Market transparency resulting from the electronic posting of daily settlement and intra-day prices. All prices are generally based upon a single geographic location.	<ul style="list-style-type: none"> <li>- Varies by market and location.</li> <li>No standardized or consistent methodology.</li> <li>- Some have electronic posting or periodic publications,</li> <li>- Some require individual inquiry and valuation.</li> </ul>

**FLORIDA MUNICIPAL POWER AGENCY  
RISK MANAGEMENT POLICY - APPENDIX A  
FUEL PORTFOLIO MANAGEMENT POLICY**

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## **FUEL PORTFOLIO RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY**

This Fuel Portfolio Risk Management Policy (the “Policy”) and any effective subordinate procedures establish the governance, framework and controls under which Florida Municipal Power Agency (“FMPA” or “Agency”) may engage in activities to identify, measure and minimize future business risk impacting the All Requirements Power Supply Project (“ARP”) resulting from price and/or supply uncertainty in the natural gas and fuel oil markets. This Policy is Appendix A of the FMPA Risk Management Policy.

### **1.0 Policy Statement**

The Executive Committee (“EC”) of FMPA recognizes that FMPA is exposed to various risks specific to generation fuel as an integral aspect of the normal course of business activities. There may be times when FMPA will determine that certain risks are above the risk tolerance levels expressed by FMPA’s members. As such, FMPA staff is hereby authorized to implement various mechanisms, such as those more fully described throughout Sections 5, 6, and 7 of this Policy, which will control, transfer, or mitigate these risks to help safeguard the Agency’s ability to provide reliable power.

The design standards of this Policy ensure that the risk control oversight functions are independent from any asset management or daily operational activities. Further, any and all actions taken by FMPA are strictly to provide reliable power to the ARP members and manage any associated risks deemed appropriate by the ARP members and will not be speculative in nature to achieve additional monetary gain using the commodity market.

The following summarizes the Policy of the EC:

- ❖ FMPA is granted authority to enter into natural gas transportation contracts, storage agreements, physical purchase and sales contract commitments, or financial purchase and sales contracts, subject to the details on authorized products which are contained in Section 5.0 of this policy.
- ❖ FMPA is authorized to enter into “Enabling Agreements” that define the terms and conditions of any subsequent transaction agreements related to generation fuel commodity purchases, sales, storage, transportation or risk mitigation transactions. Details of these authorized Enabling Agreements are contained in Section 5.4 of this policy.
- ❖ FMPA may undertake natural gas or fuel oil risk mitigation transactions with the specific prior approval of the EC.
- ❖ Section 5.4.4 of this Policy sets defined limits for purchased physical natural gas volumes.
- ❖ Section 7.1 of this Policy sets defined limits for purchased fuel oil quantities.
- ❖ Section 6.1 of this Policy sets defined limits for natural gas storage quantities.
- ❖ Section 6.2 of this Policy sets defined limits for natural gas entitlement capacity.

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
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- ❖ All individuals authorized to execute trades shall be approved by the CEO and reported to the and Finance Committee (“FC”).
- ❖ Authority is delegated to the Chief Financial Officer (CFO) (or designee) over the natural gas program and to the Chief Operating Officer (COO) (or designee) over the fuel oil program to cause the creation and subsequent administration of any underlying procedures defined by this Policy and deemed appropriate and/or necessary.
- ❖ Deviations from this Policy shall be reported to the FC as prescribed in Section 4.1 of the FMPA Risk Management Policy.

## **2.0 Scope**

FMPA is exposed to risk by its participation in the physical natural gas and fuel oil commodity market and the corresponding financial derivative market for each respective underlying commodity. FMPA participates in various mitigation efforts in order to manage exposure to these risks. Without risk management, FMPA’s ARP is subject to potentially significant energy rate volatility and operational reliability limitations that result from generation fuel cost changes, fuel receipt/delivery constraints, and cash flow requirements to meet operational cost liabilities and obligations.

Mitigation efforts would consist of executing physical and financial transactions designed to reduce the ARP’s exposure to energy rate volatility and operating risks associated with its need to participate in the physical commodity market to ensure delivery of generator fuel, as required, for generating power to meets its obligations and commitments.

## **3.0 Objectives**

The objective of the risk management program described in this Policy is to identify risk exposures; to understand their potential impact on the ARP’s financial statements and continued economic well-being; to measure and report these impacts; and to take appropriate steps to manage or mitigate any adverse effect to an acceptable level as specified by the EC. This will be accomplished through the use of operational techniques and trading instruments which are consistent with this policy.

### **3.1 Manage Generation Fuel Requirement Projections:**

FMPA shall strive to effectively manage its natural gas and fuel oil programs. It is expressly understood that risk management is intended to mitigate exposure to adverse outcomes and is not intended to result in increased financial profitability or result in the lowest cost for natural gas and fuel oil. The purpose of this Policy is to ensure that planning and control methods are in place and utilized to manage generation fuel supply reliability with consideration to a reasonable outage of FGT Zone 3 pipeline or seasonal weather event.

### **3.2 Manage Volumetric Exposure:**

FMPA shall only manage its physical natural gas and fuel oil volumetric requirements related to serving the needs of the ARP or other firm obligations. Fuel volume requirements are based on dynamically changing variables such as load forecasts, weather forecasts, generation resource availability, and projections of optimal generation unit dispatch. Changes in any of these variables will impact the ARP's required quantities of natural gas and/or fuel oil and inhibit the intended effectiveness of this Policy. To mitigate these impacts, this Policy defines review and update parameters to revise volumetric exposure projections in Section 0.

### **3.3 Maintaining Balance between Cost and Reliability:**

FMPA's efforts strive to control costs and ensure reliable delivery of electric power to its members and other commitments, if any. Ensuring the highest level of reliability is in opposition to achieving the lowest possible cost. Equilibrium between cost and reliability to achieve the desired balance is defined and established by the EC. Staff will bring forward long-term strategic decisions of fuel consideration to EC.

## **4.0 Types of Risk**

This Policy establishes minimum standards to support an Agency-wide atmosphere of risk control measures to provide reliable power at market prices. The CFO will ensure that procedures, as needed, are created and followed for the natural gas risk areas noted below, and the COO will ensure that procedures, as needed, are created and followed for the fuel oil risk areas noted below, and define ways for measuring and controlling these risks to within defined levels of exposure as established by the EC. The FMPA Risk Management Policy identifies ten areas comprising FMPA's key risk areas. While not intended to be a comprehensive listing of all risks encountered in its normal business cycle by FMPA, the framework provides insight into the major areas of exposure. The following identified areas are the risks most typically faced when managing any commodity intensive business like the power generation industry.

### **4.1 Market Risk:**

The risk of potential change in the value of an asset caused by adverse changes in market factors. An example is the commodity price risk that occurs when FMPA purchases fuel, usually natural gas, for its generating facilities. The timing and unit price of these fuel purchases expose FMPA to potential adverse or beneficial cost impacts with changing market conditions.

#### **4.1.1 Price Risk:**

The uncertainty associated with changes in the unit price of an underlying commodity. For example:

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A fixed price fuel purchase can create market risk. The fixed purchase price set for a future delivery period may not reflect the then current market price when delivery is made. If the market price is less than the pre-established purchase price, the purchase cost would be higher than market. Conversely, if the market price was higher, then the purchase cost would be less than market.

Price risk can be caused by any one or a combination of the following:

- 1) Changes in the value of wholesale energy transactions (i.e. \$/MWh),
- 2) Commodity fuel costs (i.e. \$/MMBtu),
- 3) Basis exposure due to the value difference of a commodity at different geographic locations (i.e. gas price at a pipeline receipt point versus the pipeline delivery point),
- 4) Index Price Risk is the exposure created by the process to establish a unit index value of an underlying commodity at a given location. This generally entails surveys of buyers and sellers at that location and weighing the results to determine the “Index” value,
- 5) Intra-Month Price Risk is the daily changes in the unit price of a commodity at a given geographic location during a given month of flow (the monthly index price vs the daily index price, etc.).

**4.1.2 Liquidity Risk:**

The risk associated with a constrained or limited ability for transacting trades, causing a potential inability to acquire a commodity when needed or to liquidate a previously acquired commodity that is no longer needed. For example:

In the fixed price fuel purchase example above, finding a buyer of the fuel purchase might prove difficult to find if, prior to the delivery period, it was desired to eliminate the purchase obligation. In general, a physical trade has greater liquidity risk than a financial trade.

**4.1.3 Margin Risk:**

The risk that a portfolio’s overall net value might decrease to certain predetermined credit exposure thresholds that requires the portfolio holder to post collateral. This can be measured by margin-at-risk metrics which gauge 1) the probability that a portfolio’s value will adversely change sufficiently to initiate a margin call and 2) the magnitude of any resulting required collateral posting.

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**4.1.4 Volumetric Risk:**

The risk that the quantity of fuel supply projected to be required during a future period is either over or underestimated from actual requirements during the period. For example:

Volume risk occurs when a sudden change in the daily fuel needs, resulting from a forced outage of a generation facility, causes a fuel quantity surplus. Volume risk can also include circumstances where supply was acquired using a previous longer-term forecast that later exceeds the defined limits of this Policy as a result of reductions of fuel needs in subsequent forecasts.

**4.1.5 Calendar Risk:**

The risk associated with differences of unit commodity value resulting from the time disparity between the settlement date of a financial instrument (contract index posting, swap, option, etc.) and the actual market price of the underlying physical commodity at time of delivery.

**4.2 Credit Risk:**

The potential for financial loss due to adverse changes to the credit rating of a counterparty that increases the potential of their inability to fulfill the terms of a contract or financial commitment. An example of this type of risk would be the exposure of a counterparty failing to pay the financial gains due that resulted from the settlement of a financial transaction. FMPA would be exposed to the current market price for the corresponding quantity defined by the transaction in addition to the costs related to establishing the transaction's position(s), if any (i.e. broker fees, transport commitments, etc.).

Credit risk exposure is significantly lower when transacting on the New York Mercantile Exchange (NYMEX) versus transacting via the Over the Counter (OTC) market, though there are exceptions. The credit risk associated with exchange traded instruments is mitigated since the government regulated institutional exchanges guarantee financial performance through margin posting and are further backed up by the actual exchange members, if necessary.

Credit risk exposure does exist for OTC traded transactions because the financial integrity of the trade is totally dependent upon the counterparty's ability or willingness to perform. Credit risk primarily applies to physical commodity transactions. The failure to deliver or receive purchased natural gas or fuel oil under a long-term commitment could expose FMPA to purchasing/selling quantities above or below cost, especially during periods of fuel shortages and/or surplus.

### **4.3 Administrative Risk:**

The potential of financial loss arising from deficiencies of internal control structures and/or management reporting resulting from human error, fraud and/or system failures. An example would be failing to implement the necessary accounting system modifications required by changes in generally accepted accounting practices (GAAP) and any associated reporting requirements. The Agency must ensure that proper accounting treatment is being used for booking transactions and that processes comply with changes in applicable financial accounting standards that impact the timing of financial recognition and/or rate determination.

## **5.0 Fuel Portfolio Risk Management and Price Stability Program**

The natural gas and fuel oil risk management program will be based on the following components:

The stability program uses a tiered strategy for natural gas procurement based on the time horizon, with a recommended distinct maximum, target, and minimum hedging levels specified for each year over a three-year period. Procurement activities shall be data-driven, considering current market trends, natural gas price forecasts, and the ARP's operational needs and financial objectives.

### **5.1 Authorized Strategies:**

FMPA as authorized by the Executive Committee ("EC"), adopts a tiered natural gas procurement strategy over a rolling three-year horizon. Distinct hedging ranges and target levels are established for each season within each year. Procurement activities shall be data-driven and shall consider prevailing market conditions, natural gas price forecasts, and the All-Requirements Project's operational requirements and financial objectives. All transactions shall be executed at a weighted-average cost less than or equal to EC-approved price target thresholds. Trade sizing for each transaction shall be at the discretion of an authorized trader, subject to the hedging ranges and target levels referenced above and all applicable internal controls and approvals.

### **5.2 Price Stability Program:**

FMPA's approach to long-term natural gas procurement for the ARP is intended to balance the need for price stability with the flexibility to reflect on market conditions. This is accomplished through a structured, tiered strategy that sets out specific hedging ranges for each year, allowing for adjustments based on market conditions and the FMPA's rate expectations.

#### **5.2.1 Year 1 (0 - 12 Months)**

The intent is to ensure a recommended minimum, 60% (sixty percent) of the estimated All Requirements Project (ARP) usage of natural gas to serve native load is procured, with a

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maximum limit not to exceed 75% (seventy-five percent). To accommodate seasonal variations in natural gas usage and market conditions, the following seasonal procurement ranges are established: Summer Range: During the summer months, defined as April 1st through October 31st, the ARP intent should not be less than 65% (sixty-five percent) and not more than 75% (seventy-five percent) of the estimated ARP usage for the period. Winter Range: During the winter months, defined as November 1st through March 31st, the ARP shall consider and restricted to not more than 75% (seventy-five percent) of the estimated ARP usage for the period.

**5.2.2 Year 2 (13 - 24 Months)**

The intent for year two, natural gas procurement shall target a recommended minimum of 25% (twenty-five percent) and a maximum of 50% (fifty percent) of the estimated ARP usage. This adjustment aims to provide more mid-term flexibility in response to anticipated market volatility and to optimize cost efficiency over time. To accommodate seasonal variations in natural gas usage and market conditions, the following seasonal procurement ranges are established: Summer Range: During the summer months, defined as April 1st through October 31st, the ARP intent should not be less than 40% (forty percent) and restricted to not more than 50% (fifty percent) of the estimated ARP usage for the period. Winter Range: During the winter months, defined as November 1st through March 31st, the ARP intent should not be less than not more than 50% (fifty percent) of the estimated ARP usage for the period.

**5.2.3 Year 3 (25 - 36 Months)**

The intent for year three, natural gas procurement shall target a recommended minimum of 0% (zero percent) and a maximum of 25% (twenty-five percent) of the estimated ARP usage. This adjustment aims to provide more long-term flexibility in response to anticipated market volatility and to optimize cost efficiency over time. To accommodate seasonal variations in natural gas usage and market conditions, the following seasonal procurement ranges are established: Summer Range: During the summer months, defined as April 1st through October 31st, the ARP intent should not be less than 5% (five percent) and not more than 25% (twenty-five percent) of the estimated ARP usage for the period. Winter Range: During the winter months, defined as November 1st through March 31st, the ARP intent should not be less than 0% (zero percent) and restricted to not more than 25% (twenty-five percent) of the estimated ARP usage for the period.

**5.3 Discretionary Buying**

The discretionary buying authority vested in the CFO or a duly designated representative is critical to the ARP's flexible approach to natural gas procurement. This authority enables the execution of futures, International Swaps and Derivatives Association (ISDA) agreements, swaps, and firm fixed physical natural gas transactions.

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(Continued)

### **5.3.1 Authority and Responsibilities**

The CFO, or designated representative, is empowered to execute natural gas transactions within the established hedging ranges and currently approved price targets without requiring additional approvals.

### **5.3.2 Decision-Making Criteria**

Prior to executing any transaction, the authorized individual must perform an analysis of current market conditions. This includes assessing supply and demand forecasts,

geopolitical factors influencing the natural gas markets, and any other information offered by authorized traders.

### **5.3.3 Oversight and Separation of Duty**

The Strategic Planning department, through the development and maintenance of production simulation models, will provide guidance on the volume of ARP gas forecasted to be burned to supply native load for each month over the stability program's time horizon. These models will be updated not less than semi-annually to reflect the most current forecasts of loads, generation operations, fuel costs, and other factors that could impact forecasted gas burns. An audit will review the number of contracts hedged and any other relevant market activities to ensure compliance with the policy guidelines.

### **5.3.4 Reporting and Transparency**

The CFO is required to submit a comprehensive report to the Executive Committee on a quarterly basis. This report must detail all transactions conducted under this discretionary authority, analyze the outcomes, assess the effectiveness of the strategies employed, and, if necessary, recommend adjustments to the previously approved volumes or prices.

### **5.3.5 Training and Competency**

FMPA will provide ongoing training and resources to the CFO and any designated representatives to ensure they are well-versed in the latest market insights, risk management strategies, and ethical considerations relevant to the exercise of discretionary buying power. The training will include, but is not limited to, advanced market analysis techniques, ethical procurement practices, utilization of market trading software, and updates on regulatory changes affecting the natural gas market. Training entities may include, for example, the Florida Gas Utility (FGU) and The Energy Authority (TEA).

## **5.4 Enabling Agreements:**

Master Agreements or enabling agreements establish the general terms and conditions that govern any subsequent commodity or derivative product transaction with a counterparty. These Master Agreements are a prerequisite for doing business in today's commodity marketplace. They, by their very nature, only define general terms and conditions and do not

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

commit FMPA to any form of financial or physical obligation. As such, FMPA is authorized to execute these types of enabling agreements without individual EC approval and their execution is governed pursuant to the Contract Management Risk Policy. All other aspects of any subsequent transaction are governed by the Origination Risk Policy. Types of these enabling agreements include utility interchange agreements, NAESB form contracts, EEI form contracts, and ISDA form contracts.

## **5.5 Authorized Transactions:**

The following types of risk mitigation instrument transactions are authorized by the EC but are limited to only the purchase or sale of these instruments solely for near term price risk mitigation of projected physical fuel requirements and/or financial exposure to the fuel purchase requirements of others for serving FMPA generation assets (Stanton A would be an example of this exposure where OUC manages the fuel supply) and/or long-term energy supply purchase commitments.

### **5.5.1 Exchange Based Futures:**

FMPA is authorized to set up accounts with one or more licensed brokerage firms in order to purchase or sell futures contracts or other exchange offered products through a recognized exchange such as the NYMEX. Alternatively, FMPA is authorized to designate an agent through which to transact exchange traded products.

### **5.5.2 Over-the-Counter Transactions (OTC):**

FMPA is authorized to negotiate and execute ISDA agreements (refer to Section 0) and subsequently, pursuant to an approved risk mitigation program (refer to Section 0), transact with counterparties in order to purchase and/or sell derivative products such as forwards, swaps, and options on forwards or any combination of the same.

A comparison is included in Exhibit B of the characteristic features of Exchange versus OTC transactions.

New and existing transactions using the OTC market are subject to the Credit Risk Policy, Appendix E of the FMPA Risk Management Policy.

### **5.5.3 Forward Physical Purchases:**

FMPA is authorized to negotiate, contract with, and purchase physical quantities of natural gas and fuel oil pursuant to the Credit Risk Policy and the Origination Risk Policy.

All physical purchases of natural gas shall be coordinated through an FMPA designated fuel agent to schedule, receive, transport and deliver such purchased gas volumes. Any forward purchases of natural gas or fuel oil must be limited to the

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

physical volume requirements forecast for only serving the energy requirements of the ARP and its obligations, if any.

Any natural gas purchases or sales greater than a one-month (thirty-one days) duration shall be pursuant to the approval process defined by the Origination Policy prior to any commitment, i.e. the defined approval authority of the FMPA staff member making such commitment.

**5.5.4 Physical Natural Gas Purchases:**

Physical natural gas purchases with a term of one month (thirty-one days) or greater will not exceed 75% of the respective native ARP and firm obligations monthly fuel needs based upon the most recent load forecast and generation dispatch projection at the time of the commitment of such purchases.

To ensure monthly fuel needs are as current as possible, each month an updated load forecast/dispatch projection will be generated no later than five (5) business days

prior to the beginning of the following month. This forecast projection will be the basis for determining the 75% fuel need maximum described above. Pre-paid gas transactions are exempt from this cap and shall comply with EC-approved pre-pay limits and approvals.

**5.5.5 Fixed Price Physical Natural Gas Purchases:**

Any fixed price purchase with a duration of greater than one month is viewed as a near term price risk mitigation transaction and requires the approval of the EC prior to commitment unless such fixed price purchase is pursuant to an approved price risk mitigation strategy as described in Section 0 above.

**5.5.6 Natural Gas Storage:**

Upon approval of both the FC and the EC, FMPA may enter into natural gas storage agreements. Counterparties are subject to the Credit Risk Policy. The primary purpose of any natural gas storage agreement shall be to ensure the reliability of natural gas supplies. Secondly, natural gas storage may be used as an operational pipeline balancing tool or in conjunction with other authorized energy management transactions when financially advantageous for the ARP, as determined by a storage management agent if no such agent is authorized.

**5.5.7 Fuel Oil Storage:**

The primary purpose for maintaining a minimum amount of fuel oil shall be to ensure that a reasonable level of alternate fuel is available for dual fuel fired generating units in the event, natural gas deliveries are reduced or interrupted due to supply and/or pipeline constraints. Recognizing that the Stock Island generating units operate

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
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solely with fuel oil, the minimum inventory criteria apply to the Island's fuel oil storage inventory as well.

**5.5.8 Natural Gas Entitlement Capacity:**

Natural Gas Entitlement Capacity is needed to secure firm delivery of natural gas to generation assets. Natural gas pipeline companies generally offer two basic forms of service for the transportation of gas from receipt point(s) to the desired delivery locations. The first type is referred to as "interruptible", where a shipper's scheduled volumes submitted are subject to being curtailed anytime the pipeline becomes capacity constrained even if gas has been delivered at the receipt points. The shipper is only charged for this service based upon the quantity of gas that was successfully delivered. The pipeline has no obligation to ensure delivery of gas volumes when using this form of transportation service.

The second form of service is referred to as "firm", where the shipper pays the pipeline a reservation fee (commonly referred to as a capacity or demand charge) each month based upon the daily delivery obligation of the pipeline. When a shipper contracts for this form of "firm" service, the pipeline has committed to the obligation to deliver whatever quantity that has been scheduled up to the contracted capacity quantity. If the pipeline becomes capacity constrained, then each firm shipper would have their scheduled volume curtailed on a pro-rata basis.

FMPA has contracted firm service primarily upon Florida Gas Transmission (FGT) for the delivery of natural gas fuel to its generating assets to ensure that each gas fired unit is able to operate when needed. FMPA also has the ability to receive gas volumes from Gulf Stream Natural Gas System at the Cane Island Power Park. The combination of these two arrangements ensures that FMPA can ensure delivery of natural gas as required to generate power in a reliable manner as needed to meet its load serving obligations to its members.

**5.5.9 Pre-pay Physical Natural Gas Renewals:**

For any existing pre-pay physical natural gas agreements where the "Put" period renews and/or resets, staff shall have the authority to extend the agreement once up to the original term (30 years) if the expected monthly discount exceeds \$0.08 MMBtu as compared to the remaining term of the original renewal period. This authorization shall remain in effect until September 30, 2029.

**6.0 Natural Gas Risk Limits and Measurement**

FMPA may only enter into transactions to manage risks associated with the physical and financial exposure related to meeting the ARP's forecast natural gas requirements, and only to fulfill all applicable native ARP and firm obligations.

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
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(Continued)**

Proactive monitoring of current market performance, existing and potential risk exposure, risk management alternatives (acquiring or liquidating positions), and evaluation of prior strategic results are necessary to ensure the goals and expectations defined by this Policy are achieved.

The CFO shall use the following limits and measurements, as calculated using applicable reference pricing, to monitor the performance of and compliance with current approved risk management strategies and procedures.

Before any natural gas transaction is executed, the individual executing the transaction is required to ensure that it is compliant with the parameters of this Policy, any approved price risk mitigation program, if any, and respective periodic reviews by the CFO. This requirement will be fulfilled by analyzing the natural gas portfolio and any associated risk mitigation transactions to ensure that the resulting incremental credit and market exposures do not exceed any defined limits set forth in this Policy.

### **6.1 Natural Gas Storage Limits:**

The requirement for storage limits should be applied only if there is more than 500,000 MMBtu of capacity available to ARP. If storage capacity is below 500,000 MMBtu, there will not be any minimum requirements as outlined in section 6.0.

The minimum inventory volume of natural gas in storage during the primary hurricane season (June through November) shall be 50% of FMPA's contracted storage capacity. During all other months the minimum level of storage inventory shall be 10% of contracted storage capacity.

#### **6.1.1 Outsourcing:**

FMPA may outsource the management of its natural gas storage capacity for optimizing this asset by issuing a Request for Proposal ("RFP"). Final selection of the qualified storage management agent ("Agent") must be approved by the FC and EC.

The Agent must comply with FMPA Directives and the terms and conditions of FMPA's managed natural gas storage contracts and all applicable tariffs and other legal requirements. The agent will be granted access to trading platforms or other needed counterparty information required to execute transactions within FMPA's

contractual relationships. The Agent must agree to the obligations of this Policy and FMPA's respective counterparty trading account(s) requirements.

#### **6.1.2 Annual Storage Plan:**

The Agent must provide an Annual Storage Plan for the upcoming fiscal year to FMPA by August 1 of each year for approval by EC

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY**

(Continued)

**6.1.3 Storage Optimization Restrictions:**

Storage management activities shall strive to generally maintain a net zero optimization position. Net zero optimization is when all physical gas stored in the ground (Storage) and/or financial long/short positions (i.e. purchased/sold NYMEX natural gas contracts or their equivalent) representing volumes to be injected/withdrawn in a forward period has an off-setting financial long/short position (i.e. purchased/sold NYMEX natural gas contracts or their equivalent) representing volumes to be withdrawn/injected in a forward period (Transaction)).

1)

Any “net zero” tolerance deviation greater than 10,000 MMBtu and less than 50,001 MMBtu (“Minor Tolerance Deviation”) must be corrected by the end of the fifth (5th) business day following the day on which it occurred and must be reported by the Agent on a monthly basis, with sufficient details to explain why the Minor Tolerance Deviation occurred.

2)

Any “net zero” tolerance deviation greater than 50,000 MMBtu (“Major Tolerance Deviation”), must be reported by the Agent. Such Major Tolerance Deviation report will be in writing detailing the circumstances of the deviation within three business days of the occurrence.

FMPA’s CEO must authorize any net zero imbalance outside of approved limits.

**6.1.4 Optimization Trade Period:**

Storage management transactions are restricted for the settlement date to be no more than 24 months into the future from the transaction date of the trade.

**6.1.5 Inventory Limit Deviations:**

Storage inventory levels may deviate outside of the above stated limits only when required to meet FMPA’s operational requirements (“Reliability Event”). The Agent shall inform FMPA’s CFO immediately after any such Reliability Event. Within 3 business days after such Reliability Event, the Agent shall provide FMPA’s CFO

with a written action plan to reestablish the pre-Reliability Event inventory level unless such level has already been achieved.

**6.1.6 Storage Management Reports:**

The Agent shall provide storage management reports for each FC meeting. These reports shall include physical gas inventory and any optimization transactions.

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

**6.1.7 Cash Flow Report:**

The Agent shall provide, by the fifth of each month, a cash flow report detailing the impacts of existing and projected storage management activities for review by the CFO. If directed, the Agent must contractually agree to adjust storage inventory to meet FMPA's liquidity requirements.

**~~6.2 Fuel Oil Storage Limits:~~**

~~The Agency shall maintain, as conditions warrant, a fuel oil inventory of no less than 50% and no more than 100% of available storage tank capacity located at Cane Island Power Park and Treasure Coast Energy Center. In the event that the fuel oil inventory falls below 50% at a generation site, the Power Generation Fleet Director will implement an action plan to achieve the minimum 50% inventory level within a reasonable period of time or provide justification for a reduced inventory level. This plan or justification will be provided to FMPA's CFO for review and approval. Agency shall maintain, as conditions warrant, fuel oil inventory at Stock Island Generating Facility, which will support the 17-day historical hurricane restoration operations load curve developed by staff or approximately 2,800,000 gallons. Staff will ensure this required minimum volume is in place before hurricane season, June 1st. In the event that the fuel oil inventory falls below 50% of the 17-day benchmark, the Power Generation Fleet Director will implement an action plan to achieve the minimum 50% inventory level within a reasonable period of time or provide justification for a reduced inventory level. This plan or justification will be provided to and the CFO for review and approval. Processes will be implemented and maintained to minimize the environmental risk at all the generating sites.~~

~~These procedures, at a minimum, will consist of:~~

- ~~• Fuel inventory management~~
- ~~• Thorough tank inspections~~
- ~~• Timely and accurate fuel inventory accounting records~~
- ~~• Dynamic fuel oil measurement~~
- ~~• Delivery of fuel oil by tanker truck only~~

**6.3 Natural Gas Entitlement Capacity**

Long-term NGEC shall be reviewed for adequacy as part of the planning process for major changes to the generation portfolio. To ensure a high level of reliability, staff shall target acquiring and maintaining NGEC for at least 70% of the monthly system demand projected. Monthly system demand may be derived from the average of the daily demand projections for each month.

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

Short-term NGEC management, up to one year, will allow for daily or monthly NGEC sales to be in excess of the expected daily or monthly maximum system demand.

## **7.0 Fuel Oil Risk Limits and Measurement**

The COO shall use the following limits and measurements to monitor compliance with current approved fuel oil strategies and procedures.

### **7.1 Fuel Oil Storage Limits:**

The Agency shall maintain, as conditions warrant, a fuel oil inventory of no less than 50% and no more than 100% of available storage tank capacity located at Cane Island Power Park and Treasure Coast Energy Center. In the event that the fuel oil inventory falls below 50% at a generation site, the Power Generation Fleet Director will implement an action plan to achieve the minimum 50% inventory level within a reasonable period of time or provide justification for a reduced inventory level. This plan or justification will be provided to FMPA's COO for review and approval. Agency shall maintain, as conditions warrant, fuel oil inventory at Stock Island Generating Facility, which will support the 17-day historical hurricane restoration operations load curve developed by staff or approximately 2,800,000 gallons. Staff will ensure this required minimum volume is in place before hurricane season, June 1st. In the event that the fuel oil inventory falls below 50% of the 17-day benchmark, the Power Generation Fleet Director will implement an action plan to achieve the minimum 50% inventory level within a reasonable period of time or provide justification for a reduced inventory level. This plan or justification will be provided to the COO for review and approval.

Processes will be implemented and maintained to minimize the environmental risk at all the generating sites. These procedures, at a minimum, will consist of:

- Fuel inventory management
- Thorough tank inspections
- Timely and accurate fuel inventory accounting records
- Dynamic fuel oil measurement
- Delivery of fuel oil by tanker truck only

## **8.0 Internal Controls**

The CFO shall be responsible for the establishment of appropriate internal controls and segregation of duties for the natural gas risk mitigation program, and the COO shall be responsible for the establishment of appropriate internal controls and segregation of duties for the fuel oil risk mitigation program, consistent with this Policy and in accordance with all policies and procedures established by the FMPA Risk Management Policy, or by NERC and FERC regulations.

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

### **8.1 Segregation of Duties:**

Individuals responsible for legally binding the organization to a transaction will not also perform confirmation, clearing and/or accounting functions related to those transactions. The official book of record of FMPA shall also be maintained by a person(s) other than those executing such transactions. This maintenance responsibility includes the valuation of mark-to-market positions (when applicable) and the calculation of applicable risk metric(s). Clear separation of duties shall be maintained between the front office (marketing functions and transaction execution), the middle office (confirmation, valuation, and reporting functions), and the back office (processing, accounting, invoicing and reconciliation activities).

### **8.2 Policy Compliance:**

The Internal Audit Manager shall ensure that compliance with this Policy and associated Procedures are monitored on an ongoing basis. Any unresolved compliance issues will be presented to the FC by at the next regularly scheduled meeting.

### **8.3 Conflicts of Interest:**

Personnel responsible for executing and managing the Agency's trading activity shall not engage in any activity that could pose a conflict of interest and interfere with the proper execution of Agency risk mitigation activities or which could impair their ability to make impartial and objective trading decisions. Such personnel shall disclose to the any personal financial interests in any financial institutions, firms, or other entities that conduct business with FMPA.

### **8.4 Policy Questions:**

The is authorized to provide clarification and explanation on any questions regarding this Policy. All legal matters stemming from this Policy will be referred to the Agency's Office of the General Counsel.

### **8.5 Training:**

Appropriate training on the risks associated with different market conditions, financial products and physical products shall be provided as needed to educate appropriate FMPA staff and governing body members.

## **9.0 Reporting**

Current market conditions affecting FMPA's natural gas and fuel oil costs, risk management programs, or FMPA's current financial and physical risk management strategies shall be reported during each meeting of the FC and/or EC. Then on a quarterly basis a full report of the Fuel Portfolio Risk Management and Price Stability Program shall be provided. This report should include but not limited to: The volume of all natural gas positions, past quarters margin requirements, and the

**FUEL PORTFOLIO RISK MANAGEMENT POLICY  
FOR FLORIDA MUNICIPAL POWER AGENCY  
(Continued)**

current percent mitigated to the EC target numbers. As well as, any additional relevant information about FMPA's natural gas and fuel oil risk management program and activities.

Acceptance of the reported information by the FC and/or the EC is required

The shall report any deviations from this Policy according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The shall cause an annual report to be completed on the operation and effectiveness of this Fuel Portfolio Risk Management Policy as described in the FMPA Risk Management Policy, Section 7.0.

## **10.0 Oversight Structure**

Any material 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 presented to the Finance Committee as described in Section 7.0 of the FMPA Risk Management Policy.

## Appendix A

### Florida Municipal Power Agency Risk Management Reporting Calendar

#### Natural Gas and Fuel Oil Risk Management Planning Reporting Requirements

Reporting Item	Frequency Of Report	Responsible Party	Policy Reference	Policy Reference
Volumetric Projection Update	Monthly	Business Development and System Operations Director	Section 0	5.5.4 Physical Natural Gas Purchases:
Annual Storage Plan and Update*	Annually	Agent	Section 0	6.1.2 Annual Storage Plan:
Storage Balance Restriction Deviations*	As Needed	Agent	Section 0	6.1.3 Storage Optimization Restrictions:
Reliability Event*	As Needed	Agent	Section 0	6.1.5 Inventory Limit Deviations:
Storage Report*	Each FC Meeting	Agent	Section 0	6.1.6 Storage Management Reports:
Storage Cash Flow*	Monthly	Agent	Section 0	6.1.7 Cash Flow Report:
External Review	Every five years	Agent	Section 8.2	8.2 Policy Compliance:
Fuel Oil Action Plan	As Needed	Power Generation Fleet Director	Section 7.1	7.1 Fuel Oil Storage Limits:
Market Conditions	Each FC Meeting	Agent	Section 9.0	Reporting
Fuel Portfolio Risk Management and Price Stability Program	Quarterly	Agent	Section 9.0	Reporting
Policy Operation & Effectiveness	Annually	Agent	Section 9.0	Reporting
Policy Compliance Deviations	As Needed	Internal Audit Manager	Section 8.2	8.2 Policy Compliance:

\*these reports are required only if there is more than 500,000 MMBtu of capacity available to ARP.

## Appendix B

### Features of Exchange Traded vs. Over-The-Counter Traded Products

FEATURES	Exchange Traded	Over-The-Counter
Examples	Futures and Options	Swaps, Caps, Floors, Collars, etc.
Market	Organized exchanges in Chicago, New York, Kansas City, and other commodity markets around the world.	Networks consisting of market makers who exchange information, provide bids/offers, and negotiate transactions.
Agreements	Standardized contracts.	Custom-tailored to meet any specific needs of the counterparties within accepted guidelines (NAESB, EEI, ISDA).
Risk	Guaranteed contract performance.	Performance, default and/or credit risk to the counterparties.
Regulation	U.S. exchanges regulated by Commodity Futures Trading Commission CFTC).	Not formally regulated.
Ability to Value	Market transparency resulting from the electronic posting of daily settlement and intra-day prices. All prices are generally based upon a single geographic location.	<ul style="list-style-type: none"> <li>- Varies by market and location.</li> <li>No standardized or consistent methodology.</li> <li>- Some have electronic posting or periodic publications,</li> <li>- Some require individual inquiry and valuation.</li> </ul>

**AGENDA ITEM 10 – REPORTS**

- a. Review Form\_Appendix  
A\_FUEL PORTFOLIO  
MANAGEMENT POLICY**

**Finance Committee Meeting  
April 15, 2026**

FMPA Risk Management

Fuel Portfolio Management Policy Compliance

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment.

Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Executive and the CEO prior to being presented to the Finance Committee (FC) as an information item.

**Review period: March 2025 to February 2026**

**Responsible Manager(s): Jason Wolfe, Financial Planning,**

**Rates, Budget, and Fuels Director, Rich Popp, CFO**

*Policy Compliance:* Indicate whether the following items required in the Natural Gas & Fuel Oil Risk Management Policy were completed during the review period.

REQUIREMENT	YES	NO	EXPLANATION
FMPA as authorized by the Executive Committee (“EC”), adopts a tiered natural gas procurement strategy over a rolling three-year horizon. Distinct hedging ranges and target levels are established for each season within each year. (Section 5.1)	X		
The CFO, or designated representative, is empowered to execute natural gas transactions within the established hedging ranges and currently approved price targets without requiring additional approvals. (Section 5.3.1)	X		
Execution of Master Agreements is governed pursuant to the Contract Management Risk Policy. All other aspects of any subsequent transaction are governed by the Origination Risk Policy. (Section 5.4)	X		
Any natural gas purchases or sales greater than a one-month (thirty-one days) duration shall be pursuant to the approval process defined by the Origination Policy prior to any commitment, i.e. the defined approval authority of the FMPA staff member making such commitment. (Section 5.5.3)	N/A		FMPA does not do any physical gas over 31 days.

FMPA Risk Management

Fuel Portfolio Management Policy Compliance

<i>Policy Compliance continued:</i>			
<b>REQUIREMENT</b>	<b>YES</b>	<b>NO</b>	<b>EXPLANATION</b>
<p>Physical Natural Gas Purchases:</p> <p>To ensure monthly fuel needs are as current as possible, each month an updated load forecast/dispatch projection will be generated no later than five (5) business days prior to the beginning of the following month. This forecast projection will be the basis for determining the 75% fuel need maximum described above. Pre-paid gas transactions are exempt from this cap and shall comply with EC-approved pre-pay limits and approvals. (Section 5.5.4)</p>	X		All physical gas purchases are pre-paid.
<p>Any fixed price purchase with a duration of greater than one month is viewed as a near term price risk mitigation transaction and requires the approval of the EC prior to commitment unless such fixed price purchase is pursuant to an approved price risk mitigation strategy. (Section 5.5.5)</p>	X		
<p>For any existing pre-pay physical natural gas agreements where the "Put" period renews and/or resets, staff shall have the authority to extend the agreement once up to the original term (30 years) if the expected monthly discount exceeds \$0.08 MMBtu as compared to the remaining term of the original renewal period. This authorization shall remain in effect until September 30, 2029. (Section 5.5.9)</p>	N/A		No pre-pay transactions was completed during this period.
<p>Before any transaction is executed, the individual executing the transaction is required to ensure that</p> <p>it is compliant with the parameters of this Policy, any approved price risk mitigation program, if any, and respective periodic reviews by the CFO. (Section 6.0)</p>	X		

FMPA Risk Management

Fuel Portfolio Management Policy Compliance

<i>Policy Compliance</i>			
<i>continued:</i>			
<b>REQUIREMENT</b>	<b>YES</b>	<b>NO</b>	<b>EXPLANATION</b>
During all other months the minimum level of storage inventory were 10% of contracted storage capacity. (Section 6.1)	X		
Any “net zero” tolerance deviation greater than 10,000 MMBtu and less than 50,001 MMBtu (“Minor Tolerance Deviation”) were corrected by the end of the fifth (5 <sup>th</sup> ) business day following the day on which it occurred and were reported by the Agent. (Section 6.1.3 (1))	N/A		
Any “net zero” tolerance deviation greater than 50,000 MMBtu (“Major Tolerance Deviation”), were reported by the Agent to GR&A within three business days of the occurrence. (Section 6.1.3 (2))	N/A		
Storage management transactions were restricted for the settlement date to be no more than 24 months into the future from the transaction date of the trade. (Section 6.1.4)	N/A		
The Agent provided storage management reports for each FC meeting (Section 6.1.6)	N/A		
The Agency shall maintain, as conditions warrant, a fuel oil inventory of no less than 50% and no more than 100% of available storage tank capacity located at Cane Island Power Park and Treasure Coast Energy Center. In the event that the fuel oil inventory falls below 50% at a generation site, the Power Generation Fleet Director will implement an action plan to achieve the minimum 50% inventory level within a reasonable period of time or provide justification for a reduced inventory level. This plan or justification will be provided to FMPA’s CFO for review and approval. (Section 6.2)	N/A		

FMPA Risk Management

Fuel Portfolio Management Policy Compliance

<i>Policy Compliance continued:</i>			
<b>REQUIREMENT</b>	<b>YES</b>	<b>NO</b>	<b>EXPLANATION</b>
The CFO shall be responsible for the establishment of appropriate internal controls and segregation of duties to facilitate proper execution of the natural gas and fuel oil risk mitigation program, consistent with this Policy and in accordance with all policies and procedures established by the FMPA Risk Management Policy. (section 7.0)	X		
The official book of record of FMPA shall be maintained by a person(s) other than those executing such transactions. (Section 7.1)	X		
Current market conditions affecting FMPA's natural gas and fuel oil costs, risk management programs, or FMPA's current financial and physical risk management strategies were reported during each meeting of the FC and/or EC. (Section 8.0)	X		CEO reports to the governing body monthly
The volume of all natural gas positions, past quarters margin requirements, and the current percent mitigated to the EC target numbers. As well as, any additional relevant information about FMPA's natural gas and fuel oil risk management program and activities.  Acceptance of the reported information by the FC and/or the EC is required (Section 8.0)	X		Quarterly Report.

FMPA Risk Management Department  
 Policy Compliance Review  
**Fuel Portfolio Management Policy (Appendix A)**

*Internal Control Assessment:* Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

<b>OBJECTIVE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>EXPLANATION</b>
Controls are in place to identify and assess price and supply risks related to natural gas and fuel oil.			X		
Transactions are entered into only as hedges against physical and financial requirements of natural gas or fuel oil for load serving generation or long-term electrical contracts.			X		
Hedge instruments purchased or sold have at least an 80% price correlation to the product it is intended to hedge.			X		
Current hedge positions are monitored and compared to hedge position limits on a regular basis.			X		
Storage management agent complies with terms of gas storage contract and applicable tariffs and limits.			X		
The use of additional metrics to measure risk is considered in the regular course of business.			X		

Are there any concerns related to natural gas and fuel oil risk management which should be brought to the attention of the General Manager as part of this review?  
 Yes  No  If yes, describe below.

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Are there internal control concerns related to natural gas and fuel oil risk management which require immediate attention?  
 Yes  No  If yes, describe below including any change to risk inventory controls score.

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FMPA Risk Management Department  
Policy Compliance Review  
**Fuel Portfolio Management Policy (Appendix A)**

Rate the overall functioning of natural gas and fuel oil risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Additional comments from responsible Manager(s):**

Are there any emerging risks or environmental changes which impact natural gas and fuel oil risk management?

Yes  No  If yes, describe below including any proposed changes to risk inventory.

---



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Other comments:

---



---



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*Liyuan Woerner*

44E87DB4176AB1D6637A461E1078F68E ready/sign

03/23/2026

**Internal Audit Reviewer**

**Date**

*Jason Wolfe*

FCE8EBCD4831F0CD48FD224C84253474 ready/sign

03/24/2026

**Responsible Director Signature**

**Date**

*Richard M. Popp*

8F3C20F5CA44E0B613D0640B6D5585E8 ready/sign

03/24/2026

**Responsible Executive Officer Signature**

**Date**

FMPA Risk Management Department  
Policy Compliance Review  
**Fuel Portfolio Management Policy (Appendix A)**

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Rating scale for Policy compliance reviews:

- 1 = Risk management practices not in place.
- 2 = Risk management practices in place are not effective in meeting Policy requirements.
- 3 = Risk management practices in place meet Policy requirements.
- 4 = Risk management practices in place exceed Policy requirements.

**AGENDA ITEM 10 – REPORTS**

**b. Review Form\_Appendix  
B\_DEBT POLICY**

**Finance Committee Meeting  
April 15, 2026**

FMPA Risk Management Department  
Policy Compliance Review  
**Debt Risk Management Policy (Appendix B)**

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Executives and the CEO prior to being presented to the Finance Committee (FC) as an information item.

**Review period:** December 2024 to November, 2025

**Responsible Manager(s):** Rich Popp, CFO, Sena Mitchell, Treasury Manager

<i>Policy Compliance:</i> Indicate whether the following items required in the Debt Risk Management Policy were completed during the review period.			
REQUIREMENT	YES	NO	EXPLANATION
The Financial Advisor provided written recommendations to the appropriate governing bodies prior to execution of debt. (Section 2.0)		X	The FA is part of the DFT team and regularly attends monthly board meetings, providing financing comments as needed; FA recommendation is included with the formal Agenda items presented to appropriate governing bodies prior to execution of debt.
The CFO caused 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. (Section 3.0)	X		Debt Financing team identifies risk. There are no standard procedures due to the market situation.
CFO, as Chairperson of the DFT, presented all Debt Financing Team (DFT) recommendations to CEO. (Section 4.1)	X		All DFT recommendations become formal Agenda items which are set and approved by the CEO.
The DFT fully explained the risks associated with any given structure and the financial instruments used to those who must decide and approve any such structure. (Section 4.3)	X		Yes, included in formal Agenda items presented to FC and EC as follows: - <b>FC:</b> 5-14-25 (LOC), 6-25-25 (Bond Issuance) - <b>EC:</b> 5-15-25 (LOC), 6-26-25 (Bond Issuance).
The debt mix for each of FMPA's projects were measured at the time of each debt issuance and complied with the limits defined in Appendix B of this Policy. (Section 4.3)	X		Currently 100% fixed rate structure.

FMPA Risk Management Department  
Policy Compliance Review  
**Debt Risk Management Policy (Appendix B)**

The life of the refunding bonds did not exceed the remaining life of the assets financed. (Section 4.9.1)	X		Correct, refunded bonds retained their existing final maturities.
The CFO, in consultation with the DFT, ensured active oversight of the interest rate hedging program according to these standards. (Section 5.0)			N/A
The DFT reviewed any interest rate hedging transaction before it was presented to the appropriate governing body for consideration. (Section 5.2)			N/A
Where possible, counterparties were required to collateralize their obligations if their ratings were downgraded below the counterparty's rating at the time the interest rate swap was entered into, dependent upon the specific terms of the approved ISDA agreement. (Section 5.3)			N/A
The Treasury Manager notified the DFT of any collateral calls and/or collateral returns within 1 business day of such call/return. (Section 5.3)			N/A – None occurred during review period.

*Policy Compliance continued:*

REQUIREMENT	YES	NO	EXPLANATION
Interest rate swap counterparties had long-term bond ratings of A1/A+ or higher when the interest rate swap transaction was entered into. (Section 5.3)			N/A
The CFO reported 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. (Section 5.3)			N/A
In the event that a single debt provider exceeds the 35% maximum, the CFO caused such condition to be reported to the FC and submit for approval a strategy for addressing that condition, including an appropriate timeline for implementation. (Section 5.5)			N/A
The appropriate governing body approved the initiation of optional termination by FMFA. (Section 5.6)			N/A
The CFO caused 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. (Section 5.7)			N/A
The Treasury Manager and CFO caused all post-issuance reporting and compliance requirements to be met. (Section 6.2)	X		CDR completed June 2025. Arbitrage calculation updates presented to external auditors by September 30 <sup>th</sup> .
The Treasury Manager and CFO reported on the current risk environment affecting FMFA's debt outstanding to the DFT, as needed. (Section 7.1)	X		Report presented during February 13, 2025 EC and BOD meeting.

FMPA Risk Management Department  
 Policy Compliance Review  
**Debt Risk Management Policy (Appendix B)**

The CFO, as chairperson of the DFT, completed post-closing debt reports. (Section 7.2)	X	Report presented during the August 14, 2025 EC meeting.
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**Internal Control Assessment:** Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

<b>OBJECTIVE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>EXPLANATION</b>
Controls are in place to identify and assess risks related to issuance of debt.			X		
Debt portfolio contributes to at least an A- or A3 credit rating.			X		
The cost and benefit of all aspects of proposed debt structures are fully considered.			X		
Debt service coverage remains at levels to comply with bond covenants.			X		

FMPA Risk Management Department  
 Policy Compliance Review  
**Debt Risk Management Policy (Appendix B)**

*Internal Control Assessment: continued*

<b>OBJECTIVE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>EXPLANATION</b>
Controls are in place to identify and assess risks related to interest rate swap transactions.					N/A
Hedging transactions have authorized business purposes and measured risk.					N/A
Sufficient segregation of duties is maintained.			X		
Off-balance sheet obligations are reported to the FC or higher governing body.					N/A

Are there any concerns related to debt risk management which should be brought to the attention of the CEO as part of this review? Yes  No  If yes, describe below.

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Are there internal control concerns related to debt risk management which require immediate attention? Yes  No  If yes, describe below including any change to risk inventory controls score.

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FMPA Risk Management Department  
 Policy Compliance Review  
**Debt Risk Management Policy (Appendix B)**

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Rate the overall functioning of debt risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Additional comments from responsible Manager(s):**

Are there any emerging risks or environmental changes which impact debt risk management?

Yes  No  If yes, describe below including any proposed changes to risk inventory.

One debt financing planned for 2026.

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Other comments:

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**Rating scale for Policy compliance reviews:**

- 1 = Risk management practices not in place.
- 2 = Risk management practices in place are not effective in meeting Policy requirements.
- 3 = Risk management practices in place meet Policy requirements.
- 4 = Risk management practices in place exceed Policy requirements.

FMPA Risk Management Department  
Policy Compliance Review  
**Debt Risk Management Policy (Appendix B)**

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Standard of compliance:

Completion of this review indicates that the Risk Management Reviewer has verified existence of applicable procedures or process documentation and believes them to be reasonably sufficient and up-to-date.

<i>Liyuan Woerner</i> <hr/> <b>Internal Audit Reviewer</b>	02/02/2026 <hr/> <b>Date</b>
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<i>Sena Mitchell</i> <hr/> <b>Responsible Manager Signature</b>	02/02/2026 <hr/> <b>Date</b>
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<i>Richard M. Popp</i> <hr/> <b>Responsible Executive Officer Signature</b>	02/02/2026 <hr/> <b>Date</b>
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**AGENDA ITEM 10 – REPORTS**

- c. Review Form\_Appendix  
H\_POWER SUPPLY AND  
RESOURCE PLANNING  
POLICY**

**Finance Committee Meeting  
April 15, 2026**

FMPA Risk Management Department  
 Policy Compliance Review  
**Power Supply & Resource Planning Policy (Appendix H)**

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Executive and the CEO prior to being presented to the Finance Committee (FC) as an information item.

**Review period:** February 2025 to January 2026

**Responsible Manager(s):** Navid Nowakhtar, Member Services, Strategic Planning & Analytics Director; Ken Rutter, Chief Operating Officer

<i>Policy Compliance: Indicate whether the following items required in the Power Supply &amp; Resource Planning Policy were completed during the review period.</i>			
REQUIREMENT	YES	NO	EXPLANATION
COO, will cause procedures to be written that identify risks. (Section 3.0)	X		
Resource planning maintained planning reserve margins at a minimum of 15%. (Section 4.1)	X		Ten-year site plan (TYSP).
Major assumption changes were presented to the EC prior to submission of a completed IRP. (Section 4.2)	X		Framing assumptions for 2025 IRP presented during February 2025 Strategic Planning Session. 2025 IRP final report in progress with estimated completion 2026.
Resource addition options contained in the IRP were presented to the EC for review and approval. (Section 4.2)	X		Resource needs, options, and focus for 2025 IRP presented during February 2025 Strategic Planning Session. 2025 IRP final report in progress with estimated completion 2026.
10-Year Site Plan was filed with the Florida PSC annually by April 1 <sup>st</sup> . (Section 4.3)	X		TYSP was submitted to the Florida PSC by April 1, 2025.
The filed 10-Year Site Plan was presented to EC at the May meeting or the first meeting thereafter. (Section 6.1.2)	X		TYSP was presented at the June 26th, 2025 EC meeting.
COO of Power Resources ensured appropriate staff	X		Staff continually maintains

FMPA Risk Management Department  
 Policy Compliance Review  
**Power Supply & Resource Planning Policy (Appendix H)**

maintained current knowledge regarding long-term planning of power resources. (Section 5.1)			awareness of resource planning issues. Examples include asset due diligence efforts with 1898, the TEA Energy and Gas market recurring meetings, reading and extraction of data from the SNL platform, and support of the Executive Team with various thought leadership/policy study efforts on an as-needed basis.
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**Internal Control Assessment:** Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

OBJECTIVE	1	2	3	4	EXPLANATION
Controls are in place to identify and assess risks related to long-term power supply resource planning.			X		
Long-term resource planning follows all applicable laws.			X		
Operations and planning staff coordinate to fulfill mid-term resource needs.			X		
Long-term resource planning is conducted in accordance with prudent utility practice.			X		
IRP considers mix of needed resources, size of needed resources, rate impact of resource alternatives, and current and potential legal requirements.			X		

Are there any concerns related to resource planning risk management which should be brought to the attention of the General Manager as part of this review?

Yes  No  If yes, describe below.

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Are there internal control concerns related to resource planning risk management which require immediate attention?

Yes  No  If yes, describe below including any change to risk inventory controls score.

FMPA Risk Management Department  
Policy Compliance Review  
**Power Supply & Resource Planning Policy (Appendix H)**

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Rate the overall functioning of resource planning risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Additional comments from responsible Manager(s):**

Are there any emerging risks or environmental changes which impact resource planning risk management?

Yes  No  If yes, describe below including any proposed changes to risk inventory.

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Other comments:

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*Liyuan Woerner*

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**Internal Audit Reviewer**

03/03/2026

**Date**

*Navid Nowakhtar*

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**Responsible Manager Signature**

03/04/2026

**Date**

*Ken Rutter*

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**Responsible Executive Officer Signature**

03/10/2026

**Date**

FMPA Risk Management Department  
Policy Compliance Review  
**Power Supply & Resource Planning Policy (Appendix H)**

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Rating scale for Policy compliance reviews:

- 1 = Risk management practices not in place.
- 2 = Risk management practices in place are not effective in meeting Policy requirements.
- 3 = Risk management practices in place meet Policy requirements.
- 4 = Risk management practices in place exceed

**AGENDA ITEM 10 – REPORTS**

- d. Review Form\_Appendix  
M\_CONTINGENCY PLANNING  
POLICY**

**Finance Committee Meeting  
April 15, 2026**

FMPA Risk Management Department  
Policy Compliance Review  
**Contingency Planning Policy (Appendix M)**

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Executive and the CEO prior to being presented to the Finance Committee (FC) as an information item.

**Review period:** February 2025 to January 2026

**Responsible Manager(s):** Ken Rutter, Chief Operating Officer; Sharon Adams, Chief People & Member Services Officer, Chris Gowder, Chief System Operations and Technology Officer

<i>Policy Compliance:</i> Indicate whether the following items required in the Contingency Planning Policy were completed during the review period.			
REQUIREMENT	YES	NO	EXPLANATION
The CPO caused the Business Continuity and Disaster Response Plan to be updated at least once each year prior to the beginning of hurricane season which starts annually in June. (Section 4.0)	X		Posted to FMPA intranet updated in April 2025.
Each department with responsibilities assigned in the Disaster Response Manual established procedures to complete the assigned duties during and after an Event. (Section 4.0)	X		Procedures established in Business Continuity & Disaster Response Plan.
The COO coordinated with the leadership team and responsible managers to conduct tests of Event scenarios at least once every two years. (Section 4.0)	X		Conducted in June 2025.
If a significant and/or catastrophic Event occurred, employees were paid their pre-Event pay rate in accordance with the Policy and FMPA maintained documentation showing time worked, nature of work, and supervisor approval. (Section 4.1.1)	X		No catastrophic event occurred between February 2025 through January 2026.
If a significant and/or catastrophic Event occurred, employees were allowed to work from home for no more than one week, after which time the exception either was extended one week by the appropriate senior leadership team member and CEO or return to the office. (Section 4.1.2)	X		No catastrophic event occurred between February 2025 through January 2026.
Public Relations & External Affairs Manager coordinated all public communications	X		No catastrophic event occurred between February

FMPA Risk Management Department  
Policy Compliance Review  
**Contingency Planning Policy (Appendix M)**

following a significant and/or catastrophic Event. (Section 4.2)			2025 through January 2026.
The CPO, and the building administrative staff followed the procedures as outlined in the Business Continuity and Disaster Recovery Plan. FMPA staff in the Orlando and Tallahassee offices will not be on premises during a storm. As described in Section 1.1 of the Business Continuity and Disaster Recovery Plan, the generator fuel tank will be filled; however, it will not be operational until after an Event due to potential electrical risk. (Section 4.3)	X		No catastrophic event occurred between February 2025 through January 2026.
The COO ensured that the Power Plants had staff available 24/7 during the Event. (Section 4.4)	X		N/A
The VP IT/OT & System Operations is responsible for establishing and supporting remote access for all essential systems which includes VPN, communications (corporate and plant support), cameras, finance, and treasury systems, etc. (Section 4.5)	X		Remote access is available for all systems and also verified via multi-factor authentication through Microsoft authenticator.
The CEO requested authorization for further emergency spending as needed. (Section 4.6)	N/A		N/A, no catastrophic event occurred between February 2025 through January 2026.
The CPO and the COO caused to be established a system of written internal controls to safeguard assets during and after an Event. (Section 5.0)	X		See Business Continuity & Disaster Response Plan and Hurricane Preparation & Restoration Procedures for list of controls established in the event of an emergency.
FMPA used a cost-benefits analysis when making decisions regarding the implementation of internal controls. (Section 5.0)			N/A
The Deputy General Counsel and Manager of Regulatory Compliance ensured that appropriate staff maintains current knowledge of FEMA Public Assistance Program guidance and regulations regarding FEMA reimbursement of disaster recovery funds. The Office of the General Counsel also drafts and disseminates to FMPA members template mutual aid agreements for disaster recovery efforts. (Section 5.2)”	X		The Deputy General Counsel and Manager of Regulatory Compliance ensures contracts have FEMA requirement language and will review FEMA inquiries as necessary.
The Internal Audit Manager caused compliance with this Policy and associated Procedures to be monitored on an ongoing basis. (Section 5.3)	X		IA reviews the policy on an annual basis and reports any exceptions to the FC.

FMPA Risk Management Department  
 Policy Compliance Review  
**Contingency Planning Policy (Appendix M)**

If an Event occurred, the Board of Directors and Executive Committee were notified within 5 days of the following information by the CEO or designee: (1) the extent of the damage to the building; and (2) an estimate of the time when full operations of the Agency will be restored. (Section 6.0)	X		No catastrophic event that halted generation operations between February 2025 through January 2026.
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**Internal Control Assessment:** Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

<b>OBJECTIVE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>EXPLANATION</b>
Controls are in place to address the requirements of various positions for preparation and response to an Event.			X		See Business Continuity & Disaster Response Plan and Hurricane Preparation & Restoration procedures. Additional planning has been completed to address the Agency's response to potential events in the field.
Appropriate staff maintain current knowledge of disaster recovery and contingency planning including FEMA regulations, mutual aid agreements and insurance requirements.			X		
The Disaster Response Plan adequately addresses FMPA's ability to prepare for and respond to an Event.			X		

Are there any concerns related to contingency planning risk management which should be brought to the attention of the General Manager as part of this review?

Yes  No  If yes, describe below.

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Are there internal control concerns related to contingency planning risk management which require immediate attention?

Yes  No  If yes, describe below including any change to risk inventory controls score.

FMPA Risk Management Department  
Policy Compliance Review  
**Contingency Planning Policy (Appendix M)**

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Rate the overall functioning of contingency planning risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Additional comments from responsible Manager(s):**

Are there any emerging risks or environmental changes which impact contingency planning risk management?

Yes  No  If yes, describe below including any proposed changes to risk inventory.

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Other comments:

There are two sections part of Section 4.1.1 and 4.1.2 to be reviewed.  
Update the language in Section 5.2.

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FMPA Risk Management Department  
Policy Compliance Review  
Contingency Planning Policy (Appendix M)

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*Liyuan Woerner*

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03/05/2026

**Internal Audit Manager**

**Date**

*Sharon Adams*

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03/05/2026

**Responsible Executive Officer Signature**

**Date**

*Ken Rutter*

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03/10/2026

**Responsible Executive Officer Signature**

**Date**

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03/10/2026

**Responsible Executive Officer Signature**

**Date**

FMPA Risk Management Department  
Policy Compliance Review  
**Contingency Planning Policy (Appendix M)**

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Rating scale for Policy compliance reviews:

- 1 = Risk management practices not in place.
- 2 = Risk management practices in place are not effective in meeting Policy requirements.
- 3 = Risk management practices in place meet Policy requirements.
- 4 = Risk management practices in place exceed Policy requirements.

**AGENDA ITEM 10 – REPORTS**

- e. Review Form\_Appendix  
N\_HUMAN RESOURCES  
POLICY**

**Finance Committee Meeting  
April 15, 2026**

FMPA Risk Management Department  
Policy Compliance Review  
**Human Resources Policy (Appendix N)**

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the CEO prior to being presented to the Finance Committee (FC) as an information item.

**Review period:** December 2024 to November 2025

**Responsible Manager(s):** Sharon Adams, Chief People and Member Services Officer

<i>Policy Compliance:</i> Indicate whether the following items required in the Human Resources Policy were completed during the review period.			
REQUIREMENT	YES	N O	EXPLANATION
The Chief People and Member Services Officer caused 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. (Section 3.0)	X		
The HR Department maintained adequate backup documentation to support time worked by employees, to record employee absences due to vacation, sick leave or other leave, and to document payments for overtime worked or other pay types (such as retroactive pay or bonuses). (Section 4.1)	X		
HR Department cooperated with reviews of payroll controls by internal or external auditors. (Section 4.1)	X		
All employee health and wellness records were maintained per Health Insurance Portability and Accountability Act (“HIPAA”) regulations. (Section 4.2)	X		
The HR Department ensured that benefit eligibility records are properly maintained for all employees. (Section 4.2)	X		
The Chief People and Member Services Officer caused an annual review of FMPA’s healthcare plan to be conducted to assess competitiveness and cost effectiveness of the healthcare program. (Section 4.2)	X		
HR Department enforced consistent application of the Compensation Policy across the Agency. (Section 4.3)	X		Reviewed in 2024.
The Chief People and Member Services Officer caused to be completed as deemed necessary but at least within a 5-year period by a professional third-party review of salary ranges. (Section 4.3)	X		We do internal benchmark reviews against national salary surveys which was completed in 2024.

FMPA Risk Management Department  
Policy Compliance Review  
**Human Resources Policy (Appendix N)**

HR Department ensured employment laws and regulations were followed consistently and fairly. (Section 4.4)	X		
The HR Department provided support to management in the recruitment and development of employees, so that employees are prepared for advancement within the organization. The HR Department assisted management in identifying and preparing suitable employees for succession opportunities. (Section 4.5)	X		
The Chief People and Member Services Officer caused a system of written internal controls to be established to safeguard the Agency’s personnel and financial assets, consistent with this Policy and Human Resources Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. (Section 5.0)	X		
The Chief People and Member Services Officer ensured that all employees received any training as required by law or regulation. (Section 5.2)	X		
The Chief People and Member Services Officer and other appropriate human resource staff completed 4 hours of continuing professional education in subject courses of study related to personnel management annually (each fiscal year). (Section 5.2)	X		Chief People and Member Services Officer staff attended training in May 2025.
Internal Audit Manager monitored compliance with this Policy, to include recommendations to the Finance Committee (FC) for external legal compliance reviews when determined necessary. (Section 5.3)	X		
The Chief People and Member Services Officer caused any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. (Section 6.0)	N/A		There were none for this period.

**Internal Control Assessment:** Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

OBJECTIVE	1	2	3	4	EXPLANATION
Controls are in place to identify and assess risks related to personnel management activities.			X		
Employee benefits and compensation are competitive and cost-effective.			X		
Appropriate segregation of duties is maintained related to the payroll function.				X	
Employees are enrolled in eligible benefits and eligibility records are maintained.			X		ADP Electronic Benefit Management System.

FMPA Risk Management Department  
 Policy Compliance Review  
**Human Resources Policy (Appendix N)**

Personnel are correctly classified and all payroll laws and regulations are followed.			X	On-going
Succession planning is sufficiently supported and implemented across the Agency.			X	This is completed through the performance evaluation process. And through discussion by senior leadership team
External legal compliance reviews are conducted as deemed necessary by the CEO and/or General Counsel.			X	

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Are there any concerns related to human resources risk management which should be brought to the attention of the CEO as part of this review?

Yes  No  If yes, describe below.

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Are there internal control concerns related to human resources risk management which require immediate attention?

Yes  No  If yes, describe below including any change to risk inventory controls score.

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FMPA Risk Management Department  
Policy Compliance Review  
**Human Resources Policy (Appendix N)**

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Rate the overall functioning of human resources risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Additional comments from responsible Manager(s):**

Are there any emerging risks or environmental changes which impact human resources risk management?

Yes  No  If yes, describe below including any proposed changes to risk inventory.

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Other comments:

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**Rating scale for Policy compliance reviews:**

- 1 = Risk management practices not in place.
- 2 = Risk management practices in place are not effective in meeting Policy requirements.
- 3 = Risk management practices in place meet Policy requirements.
- 4 = Risk management practices in place exceed Policy requirements.

FMPA Risk Management Department  
Policy Compliance Review  
**Human Resources Policy (Appendix N)**

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Standard of compliance:

Completion of this review indicates that the Risk Management Reviewer has verified existence of applicable procedures or process documentation and believes them to be reasonably sufficient and up-to-date.

*Liyuan Woerner*  
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**Internal Audit Manager Signature**

01/26/2026

\_\_\_\_\_  
**Date**

*Sharon Adams*  
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**Responsible Manager Signature**

01/26/2026

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**Date**

*Jacob Williams*  
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**Responsible Executive Officer Signature**

01/26/2026

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**Date**

**AGENDA ITEM 11 – COMMENTS**

**Finance Committee Meeting  
April 15, 2026**

**AGENDA ITEM 12 – ADJOURNMENT**

**Finance Committee Meeting  
April 15, 2026**