



EC 9a – ARP Expansion Scenarios

Executive Committee

December 11, 2025

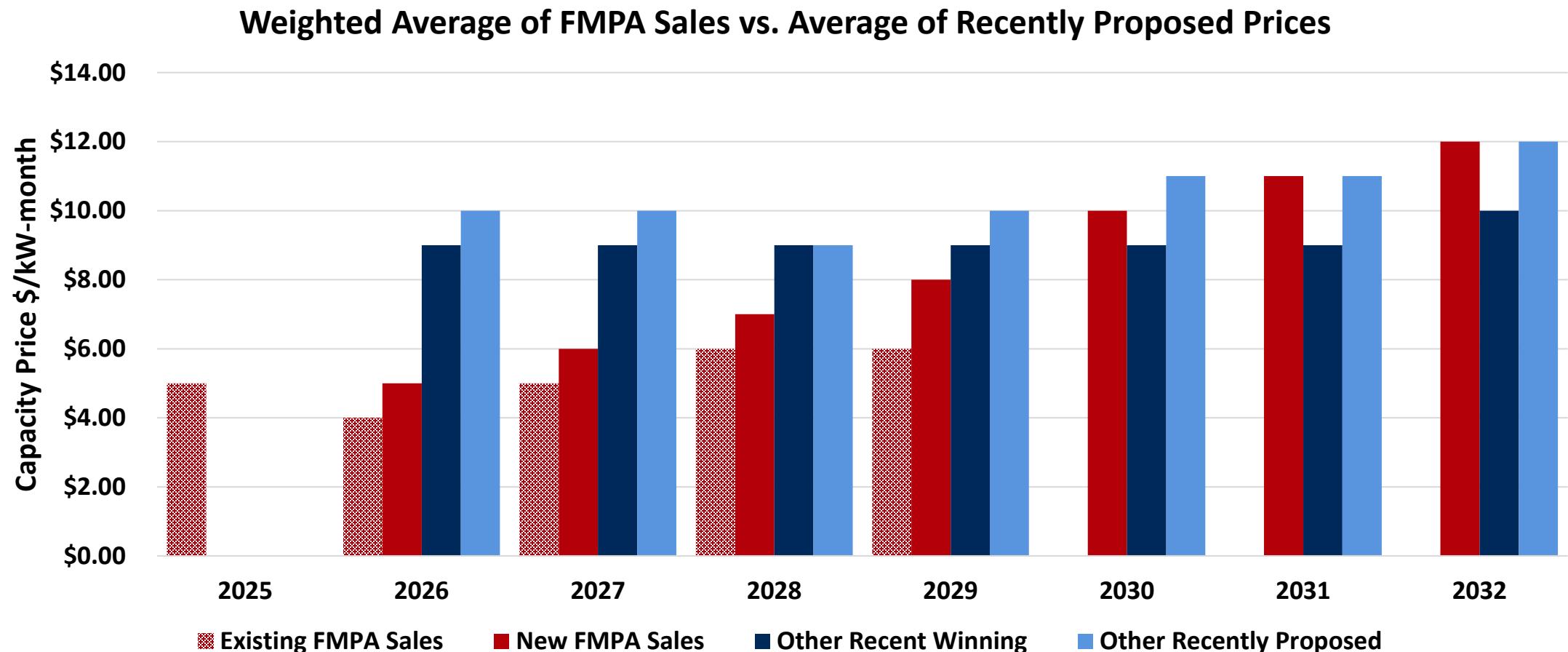
Market Factors Driving Interest in Potential Expansion

Is This A Desired Path And What Considerations Are Key?

- Capacity shortage creating price pressure for Members relying on short term market (reduced bidder pool and much higher capacity pricing)
- FMPA's ARP has ~80-100 MW of excess capacity until 2030 with more excess in earlier years
- ARP future costs projections starting to line up with "market" post 2030 as ARP "core debt" is paid off on low-cost assets
- FL Municipal's need for new capacity by 2030 vastly exceeds FMPA's excess
- Opportunity to expand ARP Membership over next 3 years, if desired
- Is ARP expansion desired?
- What considerations should be given if expansion efforts initiated?

Market Intelligence - Large Capacity Price Increases

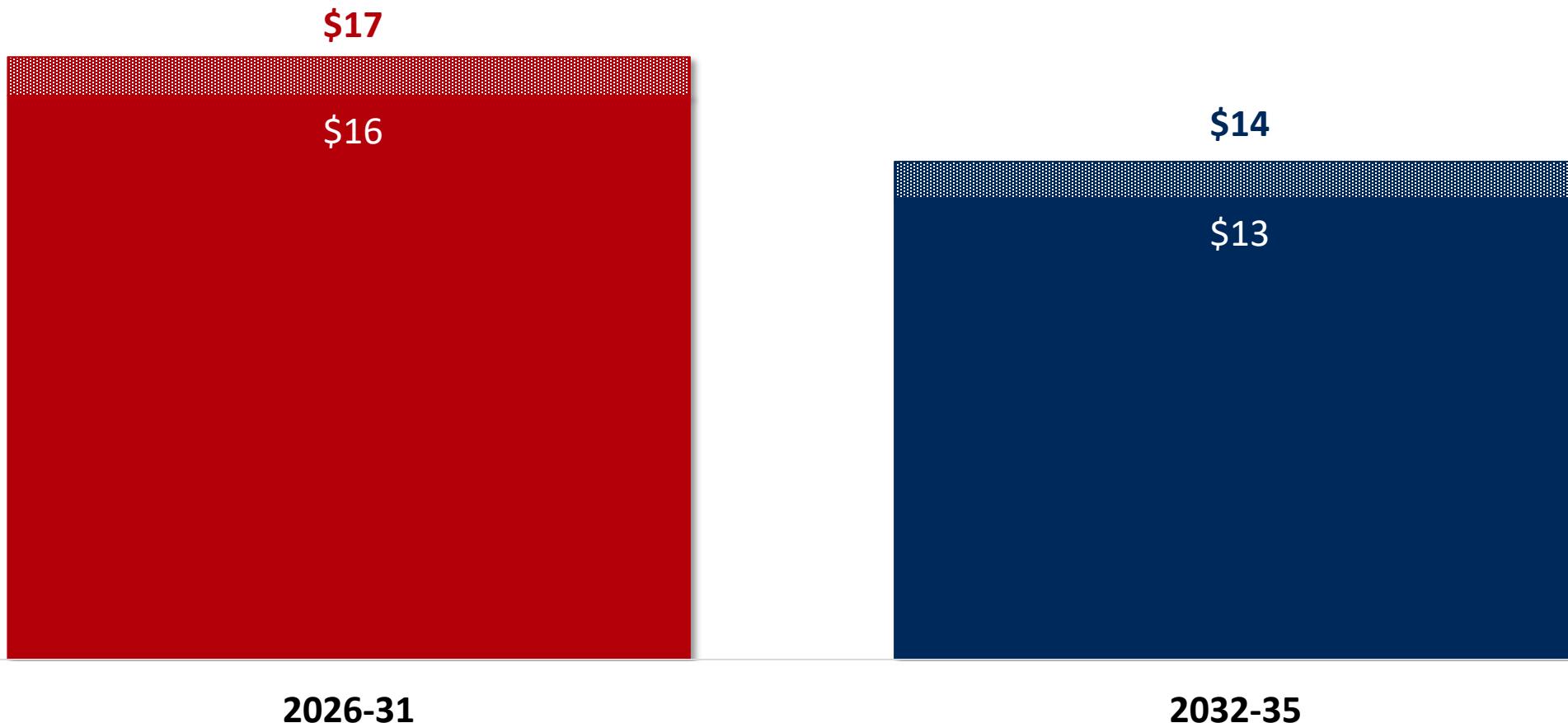
Fewer Bidders More Conservative With Excess MWs



ARP's Demand Rate Converging To Market Mid-2030s

Resource Adequacy Investments Needed Statewide

Projected ARP Demand Rate Ranges (\$/kW-mo.)



ARP Has 80 – 130 MW of Excess Through 2030*

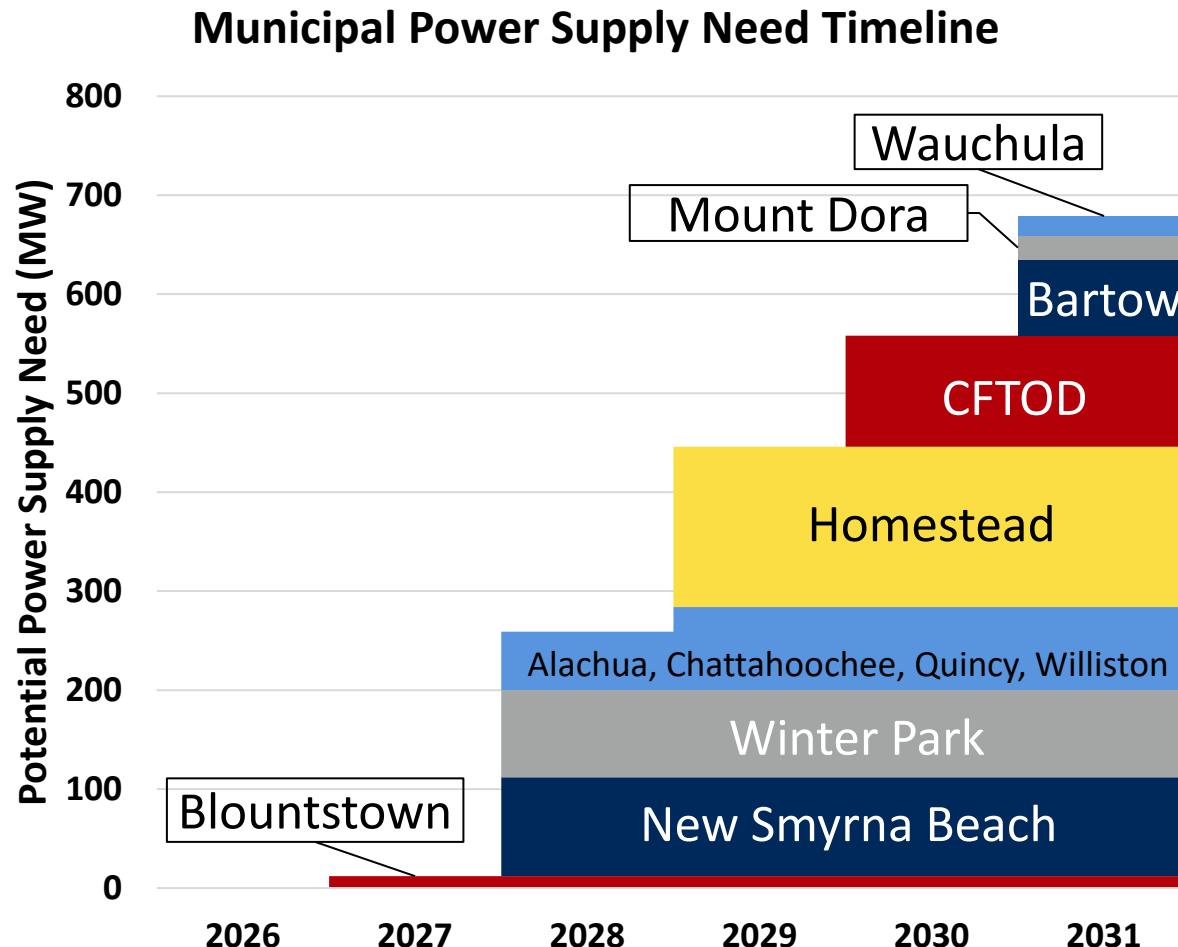
Summer Capacity Sets Limit, Winter More Surplus & Flexibility

Year	Base Case Load w/Existing Assets (15% Reserve Margin)	Base Case Load w/Upgrade Potential (15% Reserve Margin)
2026	148	163
2027	149	179
2028	133	183
2029	120	170
2030	80	130
2031	60	110
2032	50	100
2033	97	147
2034	82	132
2035	65	115

*50 MW of upgrades assumed by 2028 in upgrade case. Lake Worth Beach is included through 2032 and 10 MW waste-to-energy PPA is included through 2030.

Municipals Seek Up To 1,000 MW of Supply by 2031

Finalizing New Lake Worth Beach Supply Agreement



- Municipal short-term purchases expire in 2028 and beyond, ~650 MW need by 2031
- Other municipals in market for capacity, 300-400 MW or more 2026 & beyond
 - Lakeland & JEA
- Other generators in market seasonally, 300-400 MW or more 2026 & beyond
 - Seminole, TECO
- Nationwide growth in demand, increasing cost & extending timeline for new build
- Opportunity to sell excess capacity at higher values as market tightens

Pros and Cons Of ARP Membership Expansion

Pros	Cons
<ul style="list-style-type: none">• Supports FL Municipal• Lowers ARP Member cost short term• Likely lowers long term cost of New Members• Spreads risk over larger footprint• Adds scale for larger asset additions• New ARP Member becomes asset owner• Other	<ul style="list-style-type: none">• New Members “buy into” ARP assets of great value• Could bring forward need for new asset• Could increase mid-term cost for Existing Members• Other?

Load Increases Up to 200 MW Provide Savings to ARP

Increases over ~200 MW Start to Add Costs to ARP

Projected Impact of Additional Load on Avg. ARP All-In Cost (\$/MWh)

FY 2028-31			FY 2032-35		
Case	Average All-In Cost (\$/MWh)	Increase/ (Decrease) from Base (\$/MWh)	Case	Average All-In Cost (\$/MWh)	Increase/ (Decrease) from Base (\$/MWh)
Base	\$82.50	--	Base	\$75.90	--
Base + 100 MW	\$81.60	\$(0.90)	Base + 100 MW	\$75.80	\$(0.10)
Base + 200 MW	\$81.60	\$(0.90)	Base + 200 MW	\$76.30	\$0.40
Base + 300 MW	\$83.80	\$1.30	Base + 300 MW	\$79.00	\$3.10

- FY 28-31 cost reductions for 100MW and 200MW cases achieved by spreading existing ARP fixed cost base over additional MWh
- FY 32-35 results demonstrate higher costs to ARP as resource need is advanced
- 300 MW case requires ARP add capacity immediately

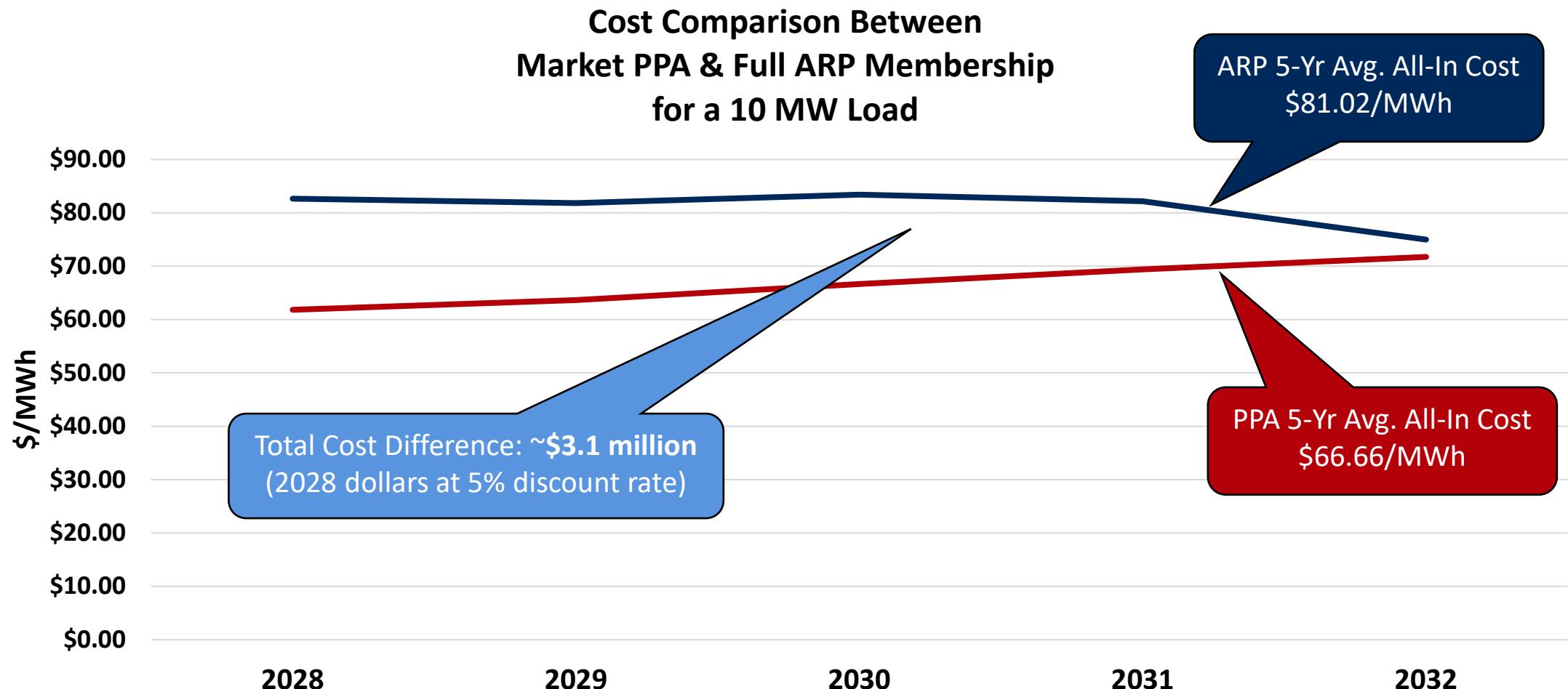
Expansion Increases ARP Working Capital Needs

New Member(s) Would Need to Contribute Funds

- Existing ARP members funded ARP working capital set for ~\$95M
- Includes member working capital of ~\$18.7M or ~\$3/MWh
- New member should contribute their share of ARP 60-day cash
- For 10 MW load, projected incremental working capital need ~\$400k
- Potential Working capital collection options
 - \$3/MWh initial working capital deposit (~\$140k for 10 MW load)
 - Additional working capital requirements collected over first 12 - 18 months of ARP billings (\$400k - \$140k = \$260k through bills)
 - New ARP Member pay full ARP rates versus market rate upon entry

~\$3M From Higher ARP Rates Serves as ARP Buy-In

ARP Rates 22% Higher Than Recent 5-Year Sale, Prices Close in 2032



ARP Considerations For Potential Expansion

- Should ARP expansion candidates be given preference in capacity sales as bridge into ARP? Going forward, yes?
- Target year all members to pay same capacity prices, and if so, by when?
- Is there any buy-in for new members?
- When is new member a “new member”? 1st year paying full ARP power price?
- Is ARP open to new Members bringing generation into project in TARP like arrangements?
- Each ARP Member agreement will need EC approval
- Other?



Appendix

Scenario Modeling Overview

Estimating Rate Impacts Of Range of New ARP Load

- Revise Base Case load and resource balance to include known mid term arrangements, assuming a 15% reserve margin
- Evaluate position and resources needs for 100 MW, 200 MW, and 300 MW of new ARP native load by 2028
 - Determine rate impacts versus Base Case for existing ARP Participants, assuming new Participants pay full cost to serve of the overall portfolio
 - Estimate load impacts for fixed cost and energy allocation assuming load shape similar to current ARP
 - CC energy benefit versus CT based on lower heat rate as applied to “slice” of new capacity matched to need in each case
- Assume ~50 MW of summer upgrades for existing generation meet threshold set for deployment <\$1,500/kW (avg. of ~\$1,000/kW) with assumption that upgrades are energy-limited/low utilization additions (very top of load duration curve)
- Meet remaining needs with planning level cost estimate of new gas resource as needed in the given case
 - Assume new 15k Phase IX capacity and PGS agreement extension can support up to 200 MW of new load; increase gas transportation capacity hold 15k/day for 300 MW case
 - Include \$100/kW adder to capture transmission/interconnection charges, conservatively assume no reimbursement
- Compare average rate of Base Case against alternative cases for the 2028-2035 period

ARP Excess/Need in MWs (Includes 15% Reserves)

Year	Base Case (w/ Upgrades)	100 MW Load w/ Upgrades	100 MW Load w/ Upgrades & 15 MW CT Slice	200 MW Load w/ Upgrades	200 MW Load w/ Upgrades & 130 MW CT Slice	300 MW w/ Upgrades	300 MW Load w/ Upgrades & 245 MW CC Slice
2028	183	68	83	(47)	83	(162)	83
2029	170	55	70	(60)	70	(175)	70
2030	130	15	30	(100)	30	(215)	30
2031	110	(5)	10	(120)	10	(235)	10
2032	100	(15)	0	(130)	0	(245)	0
2033	147	32	47	(83)	47	(198)	47
2034	132	17	32	(98)	32	(213)	32
2035	115	(0)	15	(115)	15	(230)	15

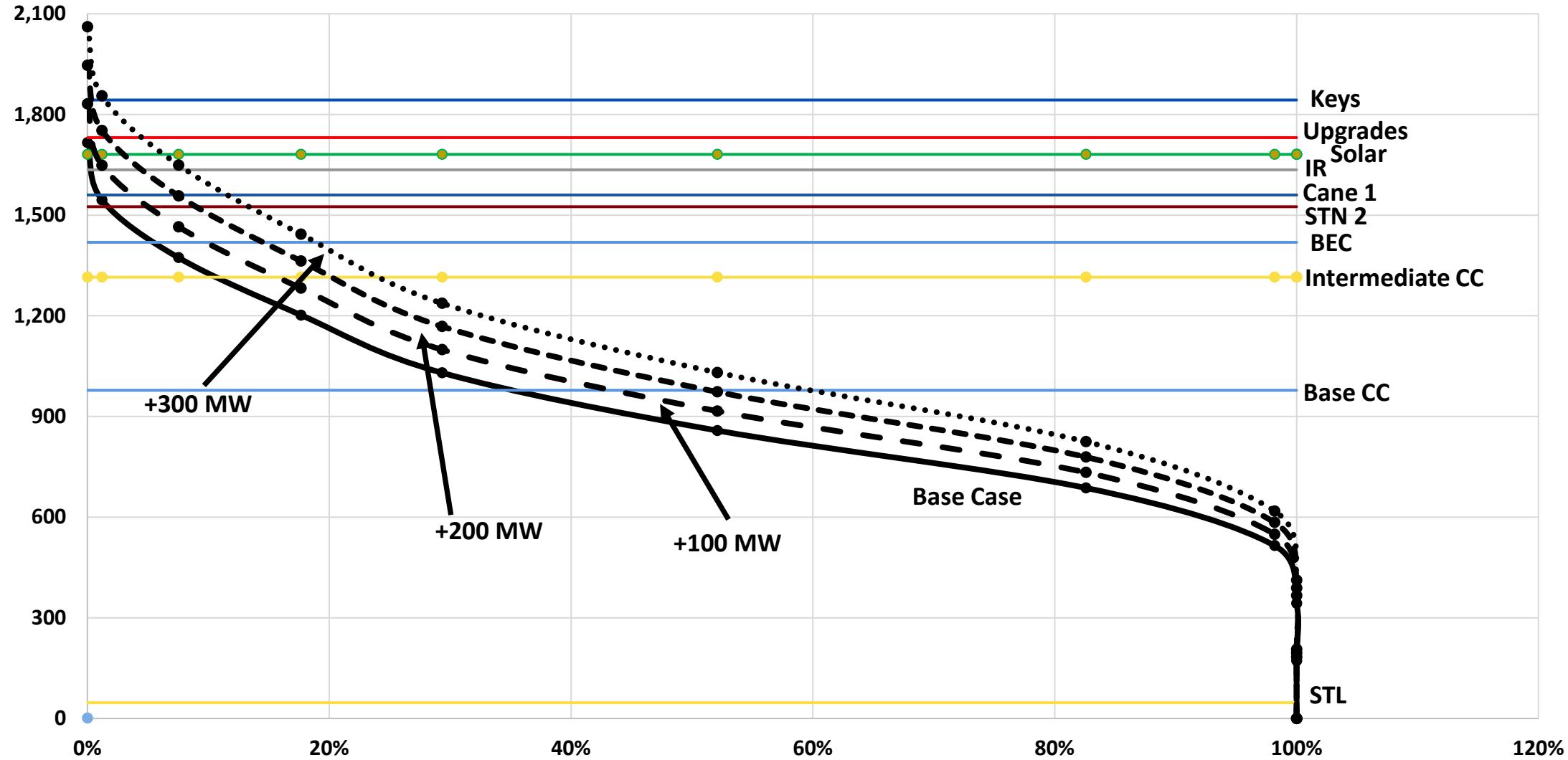
Lake Worth Beach firm obligation included through 2032.

2026 – 2030 includes an assumed 10 MW resource from WTE PPA. A new generator is not included in the Base No Upgrades case.

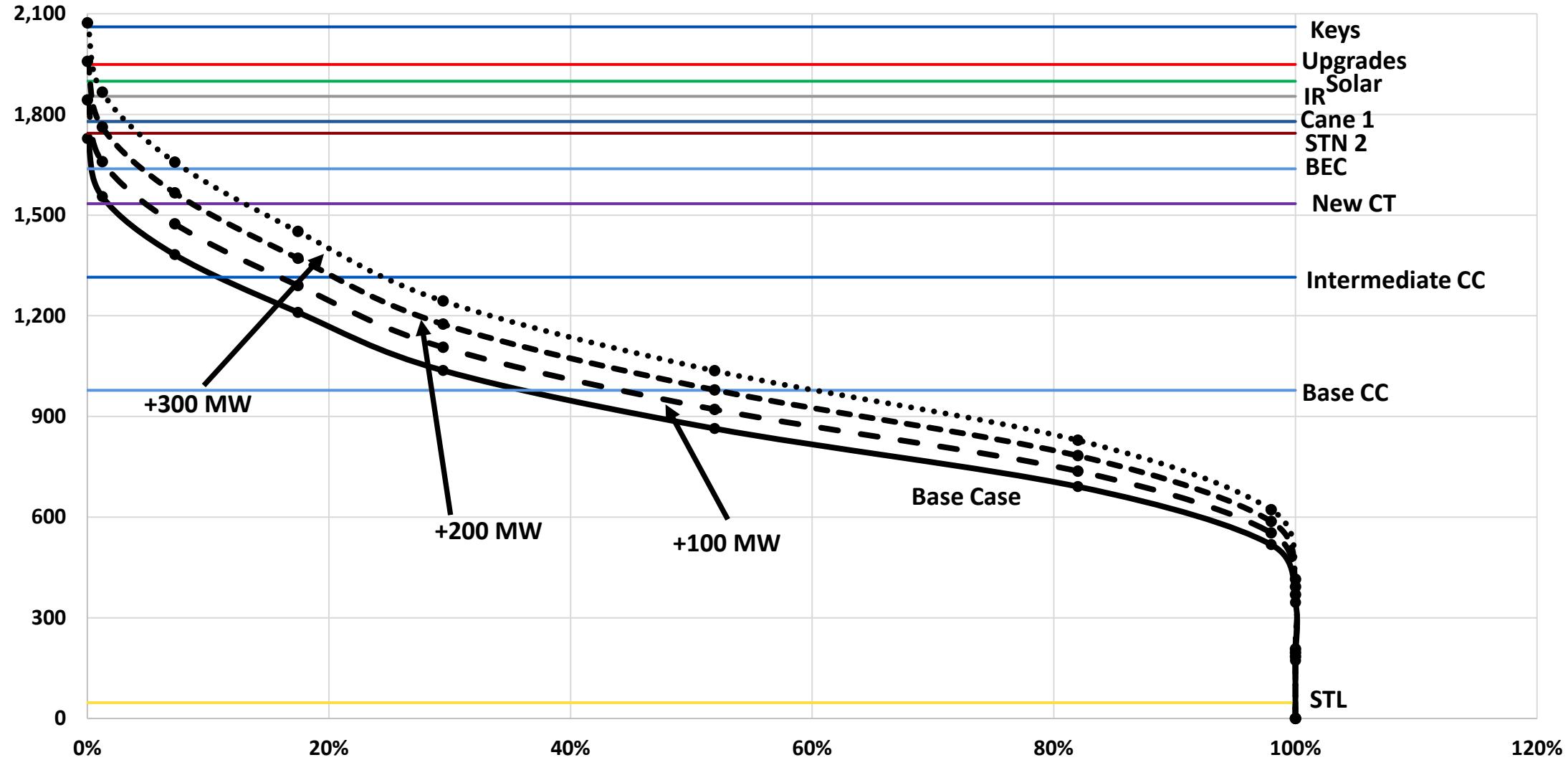
CT & CC slices added in 2028 based on the maximum forecasted need during the period from 2028 through 2035.

Maintains 15% planning reserves for new load assumed in each case.

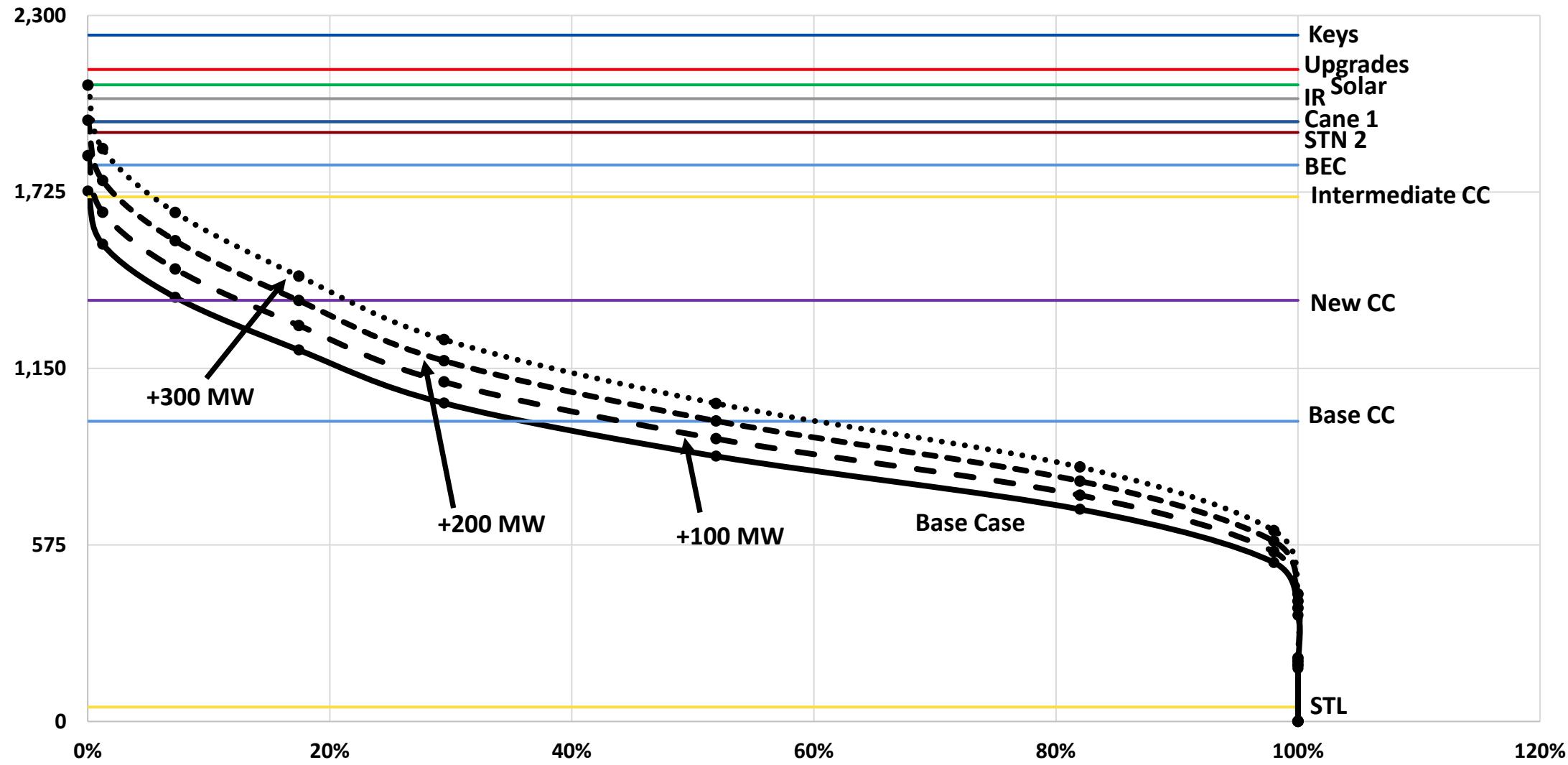
2030 Load Duration Curve w/ 15% Reserves & LWU



2035 Load Duration Curve w/ 15% Reserves & New CT



2035 Load Duration Curve w/ 15% Reserves & New CC



Newbuild Assumptions

Description	Units	1x F Class CT	1x1 F Class CC
Nominal Capacity ¹	MW	231	406
Net Summer Capacity ¹	MW	219	394
Heat Rate ¹	MMBtu/MWh	10.25	6.39
VOM (2025\$) ¹	\$/MWh	1.00	1.70
FOM (2025\$) ¹	\$/kW-mo.	0.88	1.16
Capital (2025\$) ²	\$/kW	1,434	2,617
Risk Adder	%	0%	0%
Risk Adj. Capital (2025\$)	\$/kW	1,434	2,617
Finance Rate	%	5.0%	5.0%
Finance Period	years	30	30
Inflation	%	3.0%	3.0%
Build Year	years	2028	2028

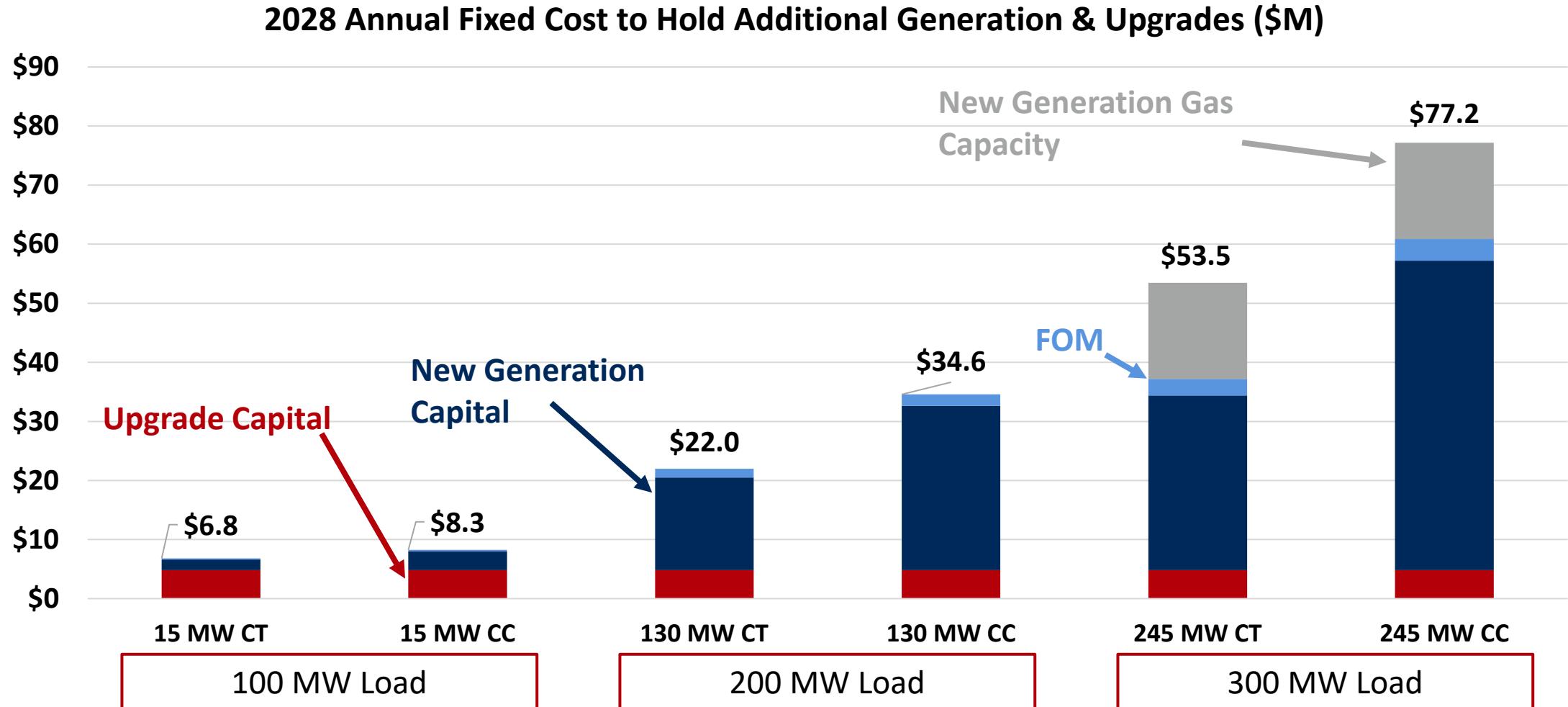
1 – Performance parameters based on 1898's FMPA 2023 Technology Assessment Summary Table - Rev 2.

2 – Capital cost reflects recent transactions of new build announcements (incl. JEA CC announcement) from public sources.

Upgrade Assumptions

Description	Units	Value
Capacity by 2030	MW	50
Estimated Average Upgrade Capital	\$/kW	1,000
Total Capital	\$	50,000,000
Finance Rate	%	5.0%
Finance Period	years	15
Amortized PMT	\$/year	4,817,114

Load Scenario Costs by Incremental Slice of New Gen



Base Load & Incremental Load Shape Assumptions

Year	Base Load (MWh)	100 MW Load (MWh)	200 MW Load (MWh)	300 MW Load (MWh)	Year	Base - Peak no reserves (MW)	100 MW - Peak no reserves (MW)	200 MW - Peak no reserves (MW)	300 MW - Peak no reserves (MW)
2028	7,396,729	470,000	940,000	1,410,000	2028	1,567	100	200	300
2029	7,413,251	470,000	940,000	1,410,000	2029	1,575	100	200	300
2030	7,043,787	470,000	940,000	1,410,000	2030	1,493	100	200	300
2031	7,079,029	470,000	940,000	1,410,000	2031	1,514	100	200	300
2032	7,135,940	470,000	940,000	1,410,000	2032	1,524	100	200	300
2033	6,938,061	470,000	940,000	1,410,000	2033	1,474	100	200	300
2034	6,995,494	470,000	940,000	1,410,000	2034	1,487	100	200	300
2035	7,067,416	470,000	940,000	1,410,000	2035	1,503	100	200	300

**AGENDA ITEM 9 – INFORMATION
ITEMS**

b. Quarterly Compliance Update

**Executive Committee
December 11, 2025**