

FMPA Report

September 2024

Rate Call

The average price of natural gas for the month was \$3.09. Daily natural gas prices for the past month have begun to move upward; they have ranged from \$2.29 to 2.03. Gas storage has moved into the upper limit of historic ranges but still remains exceptional high and continues to dampen prices.

Rate Stability Program future purchases were made for the summer of 2025 period (\$3.32) and the summer of 2026 (\$3.47).

Natural gas accounted for 83% of the generation mix. Coal was 9%; nuclear was 4%. Solar generation was 1%.

The peak for the month was 8 July at 3 PM.

Board of Directors

The Board had no action items on the agenda.

Information items covered amendments to Solar projects II & III, update on the Annual Continuing Disclosure Report, new credit provider for the Pooled Loan program and proposed modifications to FY 25 procurement procedures.

Executive Committee

The Executive Committee approved procedures to allow staff to approve repricing of prepaid natural gas prepaid.

Information items cover amendments to Solar II & III projects, update on the Annual Disclosure Report, ARP Pooled Loan early payoff, proposed modifications to FY 25 procurement procedures and proposed spending authority modifications for FY 25.

Joint Board of Directors and Executive Committee Meeting on Stanton Energy Center and Florida Municipal Power Pool Options

Facts

- Stanton coal highest cost meaningful resource in portfolio for All Requirements Project (ARP)
- Orlando Utility Commission (OUC) formally announced closure of Stanton I in 2025 and conversion of Stanton II to natural gas in 2027
- FMPA believes participation in the coal project terminates with conversion of Stanton II to natural gas.

- FMPA acquired additional capacity (Sand Lake, Mulberry and Orange natural gas generation) in anticipation of Stanton closure and conversion.
- FMPA acknowledged post ownership environmental obligations.
- FMPA offered payment for certainty of outcome, to provide OUC alternate capacity and numerous timing options.
- Audit issues for FY 22 and FY 23 have been settled.

FMPA's BoD and Executive Committee extensively discussed the issues with OUC's FMPA BoD representative and OUC's Chief Operating Officer. It was acknowledged that OUC had been a reliable and satisfactory energy providing partner. However, cost issues needed to be addressed for a successful future partnership.

The meeting concluded with the FMPA's BoD and Executive Committee asking staff to review all the facts and data available and make a best and final offer to OUC within 60 days. It was also suggested OUC might consider a similar approach.

Investigating a possible expansion of the Florida Municipal Power Pool (FMPP) has occurred over the last year. There would be substantial benefits to expansion with most of the benefits accruing to other participants. Study participants concluded that the best approach would be to walk before running. Participants will develop proposals for coordinating outages to optimize reserves and reserve sharing for more than 30 minutes.

FMPA will review its best options for a balancing authority.