



FMIPA Strategic Planning Session

Board of Directors and
Executive Committee

Feb. 12, 2025



Session Outline

What We've Achieved and What's on the Horizon

1. Review of Vision, Mission and Values
2. Review of February 2023 Strategic Priorities
3. Review Strategic Planning Material and Identify Potential Priorities
 - A. Drivers of FMPA and Member Business (Natural Gas Stability)
 - B. 2025 IRP Refresh – 20 Year Baseline Assumptions – Load Growth/Data Centers and Generation (New Nuclear)
 - C. Existing Units Life Extension Competitive Option
 - D. Potential Value of Balancing Authority Alternative and/or FMPP Services Expansion
 - E. KEYS Energy Reliability Plan
 - F. FMPA and Fleet Succession Planning
 - G. Asset Capital Plan and Rate Projections
 - H. Member Services - Rates Competitive – Enhance Distribution Reliability and Other Services
 - I. Review Overall Electric and Natural Gas Market Outlook (Background Information)
4. Lunch
5. Review and Categorize Identified Potential Strategic Priorities
6. Develop Consensus on Top Strategic Priorities for Next Two Years



Review of Vision, Mission and Values

FMPA Vision and Mission

Vision

- To sustainably be the lowest cost, and a reliable and clean wholesale power provider in Florida.

Mission

- To provide low-cost, reliable and clean power plus value-added services for FMPA's owner-customers that benefit their communities and customers.

Seeking Feedback on Vision and Mission

- Resources within portfolio supporting lower emissions in environmentally responsible manner
- Resources tagged as “clean” may have aspects of mining, processing and delivery that are less so
- “Clean” could be displaced with intent to balance environmental responsibility and lower emissions with costs and reliability
- Suggest alternatives such as “environmentally responsible” or “lower emissions” to add clarity to both Vision and Mission

We Want Your Feedback

How much do you agree or disagree with this Mission and Vision for FMPA from an overall perspective? Please provide your feedback in the first poll.

Should the notion of “clean” be evolved to add clarity to the Mission and Vision? Please provide your feedback in the 2nd poll.

FMPA Values

- A culture that values both our employees and operating agents and their safety
- Teamwork among our employees and our public power member-owner-customers
- Trust built through honesty, integrity, transparency, open communication and respect
- Employee development, recognition, reward and empowerment
- Low-cost electricity for all customers
- Environmentally-responsible operations that consider impacts of raw materials and transportation resources for generation
- Member and employee diversity and inclusion
- Innovation and excellence
- The individual needs and desires of FMPA's owner-customers shall be given the strongest consideration, consistent with the best interests of all owner-customers



Review of February 2023 Strategic Priorities

We've Made Good Progress Since 2023

Priority Efforts Support Low-Cost Power For Member Value

Rank	Strategic Priority	Steps Taken
1	Advocate for Abundant Natural Gas Supply and Pipeline Expansions to Keep Costs Low	<ul style="list-style-type: none">• FMPP comments to EPA on GHG rule for nat. gas CCs & CTs• Led FRCC comments on EPA's on GHG rule for nat. gas CCs & CTs• Support of proposed permit reform Legislation from Senate• Significant CEO social media reach on affordability and reliability• Active Participation in FCG/APPA/FRCC commentary highlighting FL's natural gas dependence to quantify reliability impacts of rule
2	Begin Engaging in Discussions to Explore Viable Nuclear Resource Opportunities	<ul style="list-style-type: none">• Lead role in FCG Next Generation Nuclear Workgroup• Supported PSC workshop on nuclear opportunities and impacts on FL's fuel diversity – state study process underway• Direct executive discussions on nuclear expansion w/FPL & Duke
3	Explore Expanding Membership in the Florida Municipal Power Pool	<ul style="list-style-type: none">• FMPP Service Expansion Study completed estimating ~\$24M in benefits per year w/o transformational BA expansion• “Walk-first” services desired by broader group for early-stage work via existing BAs• Initiated Alternative BA study and negotiations to add value to FMPP and other participant

We've Made Good Progress Since 2023

Priority Efforts Support Low-Cost Power For Member Value

Rank	Strategic Priority	Steps Taken
4	Evaluate Capital Funding Strategies That Align Debt Utilization With Competitive Rates	<ul style="list-style-type: none">• Approved Debt guidelines for projects > \$500k and 5-year useful life• Solar pre-pays pursued with at least 8% anticipated benefits• Financing targeted for FY 25 & 26 balanced with \$20M annual deposits to R&R fund to smooth rate impacts of capital needs• Expanded capital expectations review for plants to 10 yr horizon
5	Continue Gradual Pursuit of Solar and Battery Opportunities	<ul style="list-style-type: none">• Finalized renegotiated Solar Phase II/Phase III agreements with Origis, allowing for right-sized go forward allocations• Rice Creek online Q4 2024, Whistling Duck development ongoing• REC sale opportunities presented; Members desire to keep RECs• Continuing alternative site exploration work with S&L on two plausible BESS options to support KEYS transmission congestion
6	Identify Retail Customer's Priorities Regarding Electricity Needs	<ul style="list-style-type: none">• ARP solar feedback supports gradual, cost-effective additions• Member REC workshop resulted in no go-forward sale of RECs• Member Satisfaction Survey Conducted in FY 2024• Support for several PCA efforts with Members

ARP Priorities Focused on Price Stability, Cost Savings

Good Success Addressing Price Stability Risk, More Work to Do

Rank	Strategic Priority	Steps Taken
1	Develop Systematic Approach to Reducing Exposure to Natural Gas for Power Cost Stability	<ul style="list-style-type: none">• FGU and FMPA team coordination on strategy• EC approved programmatic targets approach in FY '24• Margining needs flow through rates• Ongoing tracking of program performance and costs• Price stability program updates for EC on recurring basis
2	Continue High Availability for FMPA's Low-Cost Generating Resources	<ul style="list-style-type: none">• Base, intermediate, and peaking assets EAF above industry average for both FY '23 and FY '24• Stock Island dispatch trending higher with >90% success rate on starts to support load & transmission• Goals for fleet for 90% completion of reliability focused capital projects• Weatherization projects implemented at CI and TCEC

ARP Priorities Focused on Price Stability, Cost Savings

Good Success Addressing Price Stability Risk, More Work to Do

Rank	Strategic Priority	Steps Taken
3	Maximize Asset Value/Minimize Costs With Significant Expansion of the FMPP	<ul style="list-style-type: none"> • FMPP Service Expansion Study completed estimating ~\$24M in benefits per year w/o BA expansion • “Walk-first” services desired by broader group for early-stage work under existing BAs structures • Initiated Alternative BA study and negotiations to add value to FMPP and other participant
4	Pursue More Municipal Third-Party Sales That Add Value to ARP and Municipal Customers	<ul style="list-style-type: none"> • CFTOD extension secured for excess capacity value • Seasonal strike with TEA to further optimize reserves • Active capacity sales (e.g. TECO & JEA) when long • Cumulative benefit of third-party sales including FMPP and residual ~\$18.7M or ~\$1.60/MWh in cost reduction for ARP Participants over last 2 fiscal years



Drivers of FMIPA and Member Business (Natural Gas Stability)

FMPA's Mission Important for Floridians

Lower Wages, Less Disposable Income, Higher Consumption



LOW-COST POWER

Customers Need It



RELIABLE POWER

Customers Expect It

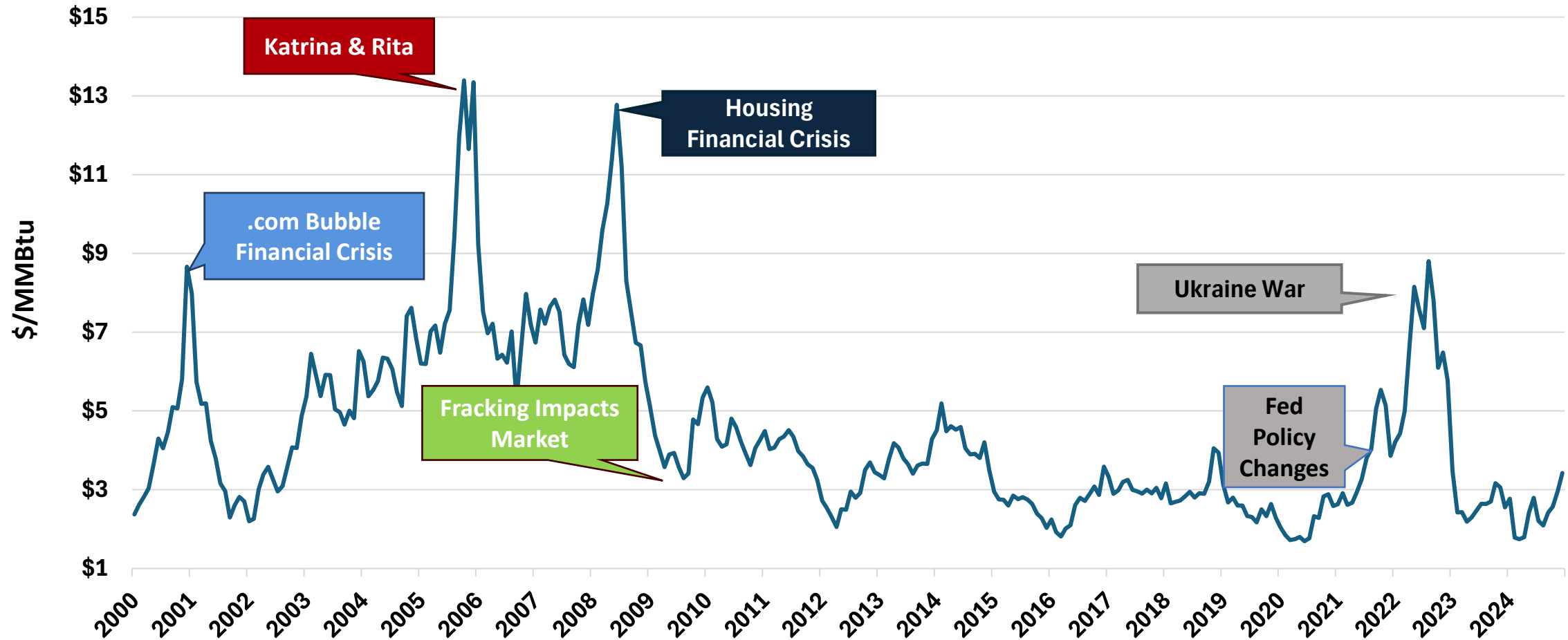


LOWER EMISSIONS

Customers Want It

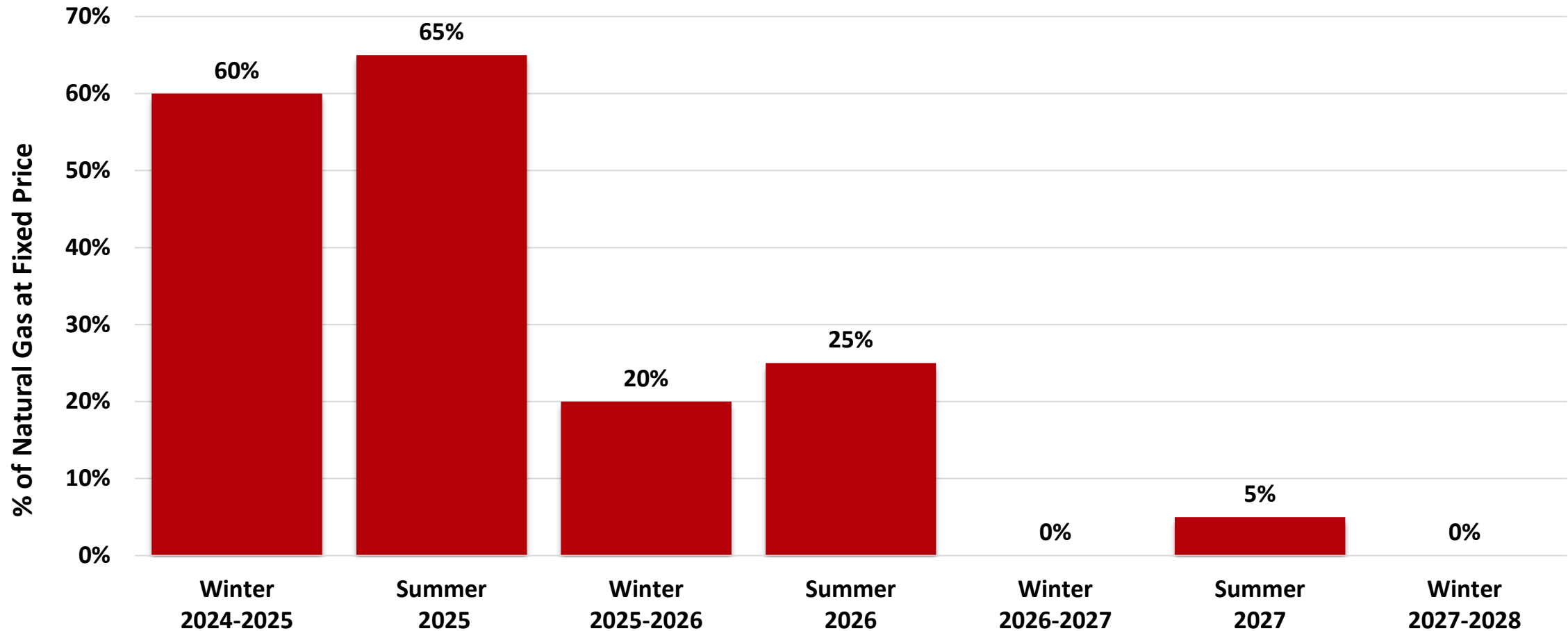
Natural Gas Price Spikes Lead to Significant FL Costs

Weather, Financial Crisis, and Russia/Ukraine War Key Drivers for Pricing



Approved Rate Stability Program Now In Place

Current Market Trends Prevent Further Opportunities



Other Significant Challenges Since 2023

Large Policy Swings Expected With Election Outcome



- Election outcome favoring abundance and affordability with policy uncertainty with EPA GHG and IRA
- Data Center/ AI accelerating power demand growth
- Markets across the country facing capacity shortfalls
- Price inflation for distribution equipment moderated slightly, but generation and transmission getting tighter
- Supply lead times for critical parts/combustion turbines of 2-4 years jeopardizing reliability
- Significant gas turbine, solar and battery cost increases/delays, due to raw material shortages
- Significant increase in nuclear interest
- Focused on plant availability, managing plant capital spend
- Generation succession plan, SI reliability high priority

Long-Term Muni Opportunities & Challenges Remain

More to Achieve While Working to Optimize Resources

- Power costs lower and stabilized and with opportunity to actively communicate advantage
- Load growth from Data Centers & EVs lead to higher market value of reliable generation capacity
- Continued improvement in emissions reductions while keeping prices affordable
- Working for balanced long-term portfolio beyond gas & solar – with potential new nuclear
- Continuing to improve reliability of power system and managing member staffing retention
- Handling increased workloads with efficiency opportunities in staff orientation and AI tools
- Goal of increasing the member electric utilities' value to each of their communities and proactively communicating value to key stakeholders

We Want Your Feedback

What do you feel are the biggest long-term
Municipal electric challenges?

What do you feel are the biggest long-term municipal
electric challenges you expect FMPPA to assist on?

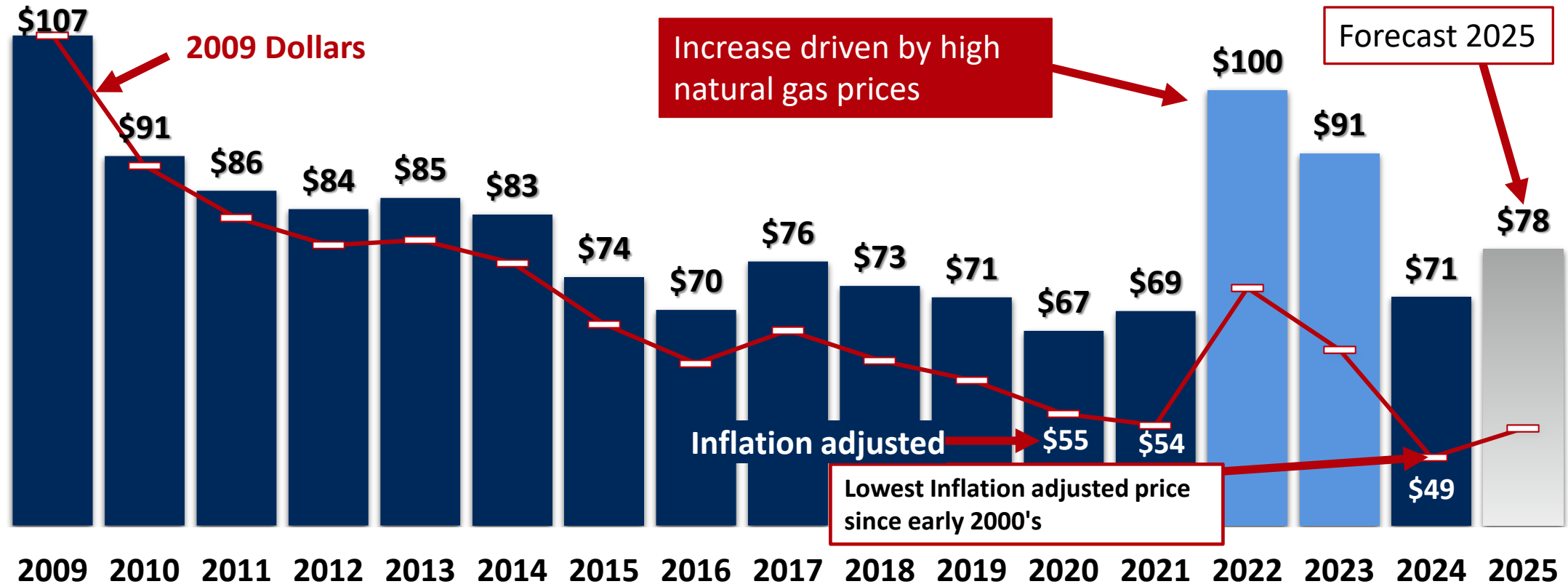
Please provide your feedback in the polls.

FMPA Power Costs Coming Back to 2015-2021 Levels

Inflation Adjusted: 2024 Wholesale Prices Lowest Since 2000's

All-Requirements Project Power Costs

Actual cost incurred \$/MWh

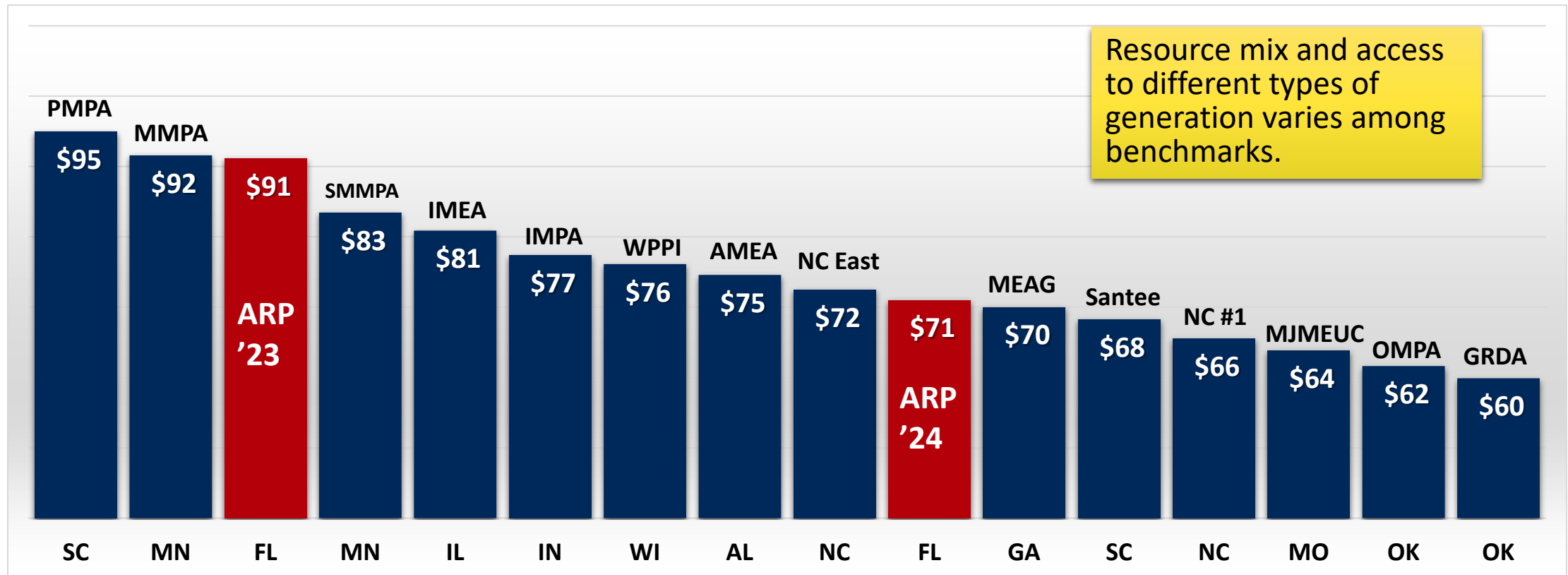


ARP Rates Competitive With Other JAAs

'23 Prices Elevated With Gas, '24 Prices Decreased to Lower Half

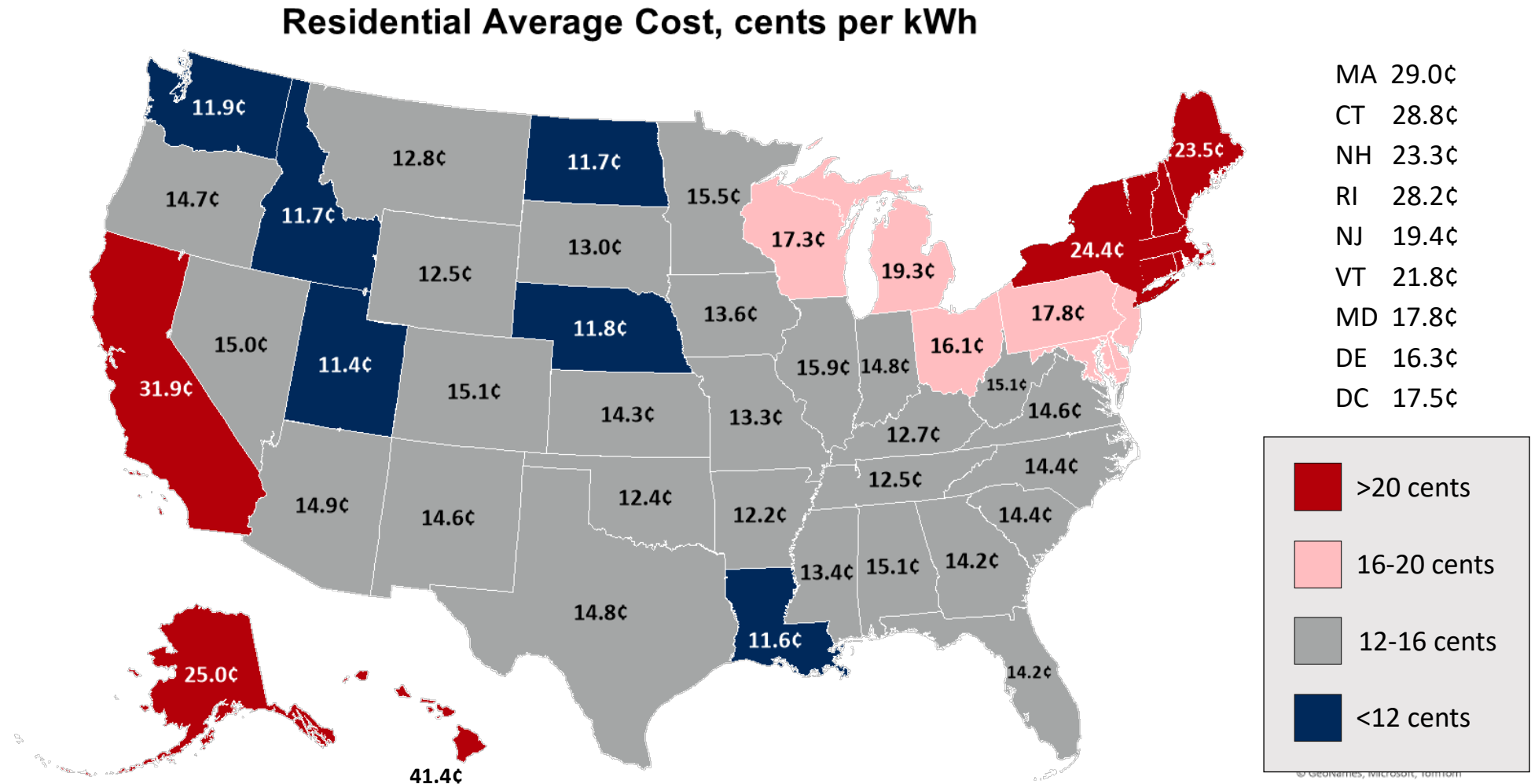
Annual Average Power Supply Costs by JAA (2023*)

Average cost per 1,000 kWh billed. Source: PFM Financial, FMPA



Florida's Residential Electric Cost 17th Lowest in U.S.

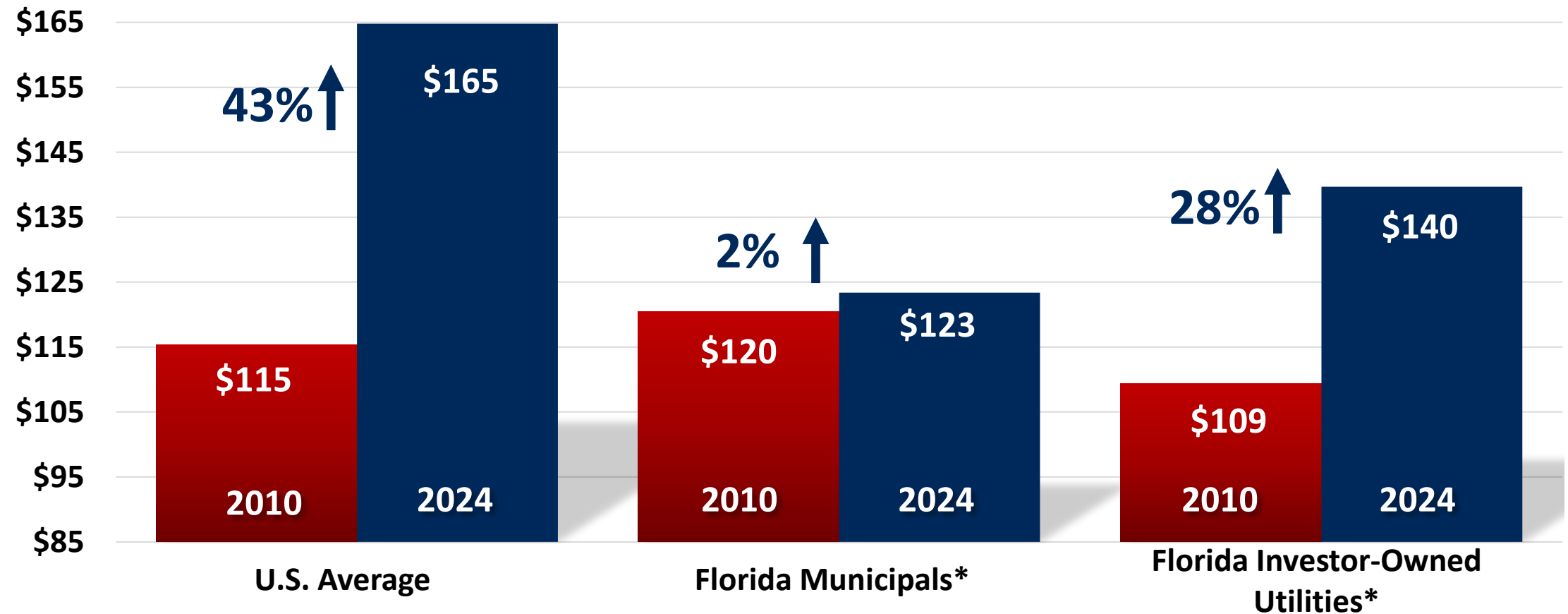
Our High Electric Use Depends On Low-Cost Power



Florida's Municipals Competitive

Municipal Rates 2% Higher than in 2010, U.S. Rates Up ~40%

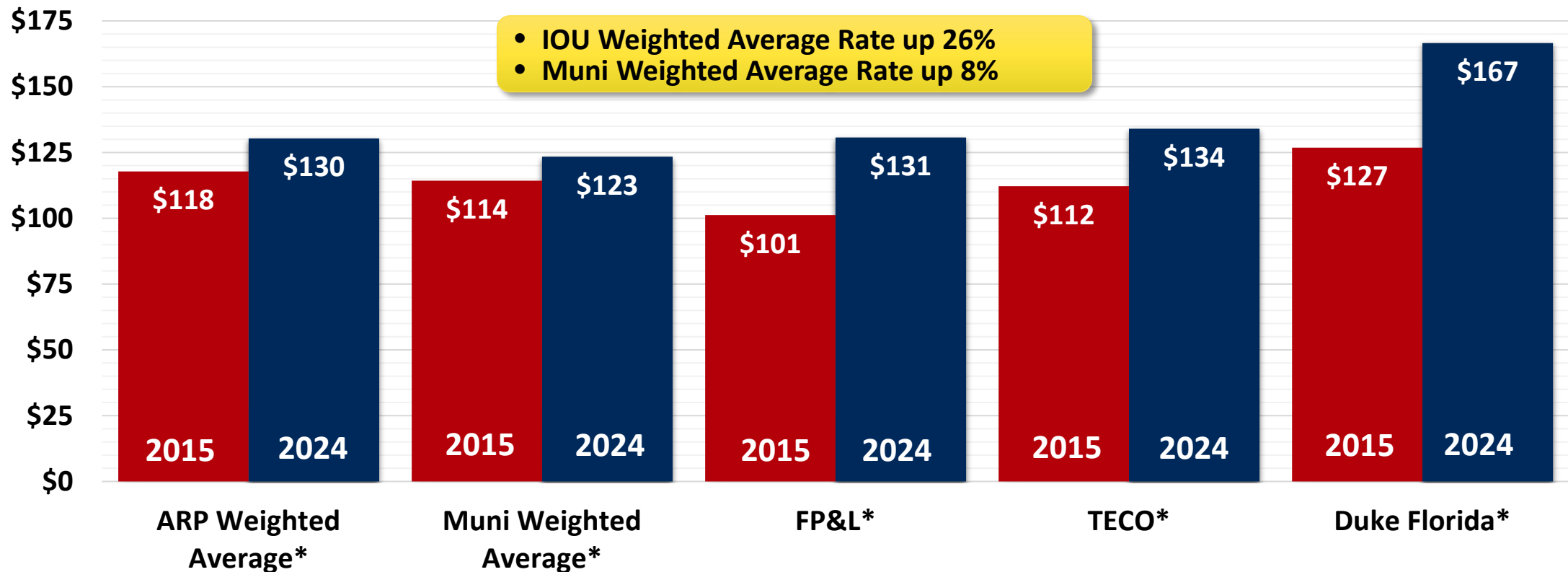
1,000 kWh Residential Bill Comparison



Muni Rates Competitive, IOU Storm Charges In '25

Municipals Below IOU's, ARP Members on Average Below FPL

Residential Bill Comparison
Cost per 1,000 kWh, Calendar Year 2015 vs. 2024 Average Rate



NERC Highly Focused on U.S. Electric Market Load Shed Risks

Risk Shifting to Winter – Limited Wind & Solar, Gas Intricacies

- NERC identifies elevated & high-risk regions
- Load growth and retirements outpace capacity additions
- Reduced reliable capacity driving capacity prices higher
- Lead times for turbines up materially
- Delayed generator retirements reducing near term risk slightly

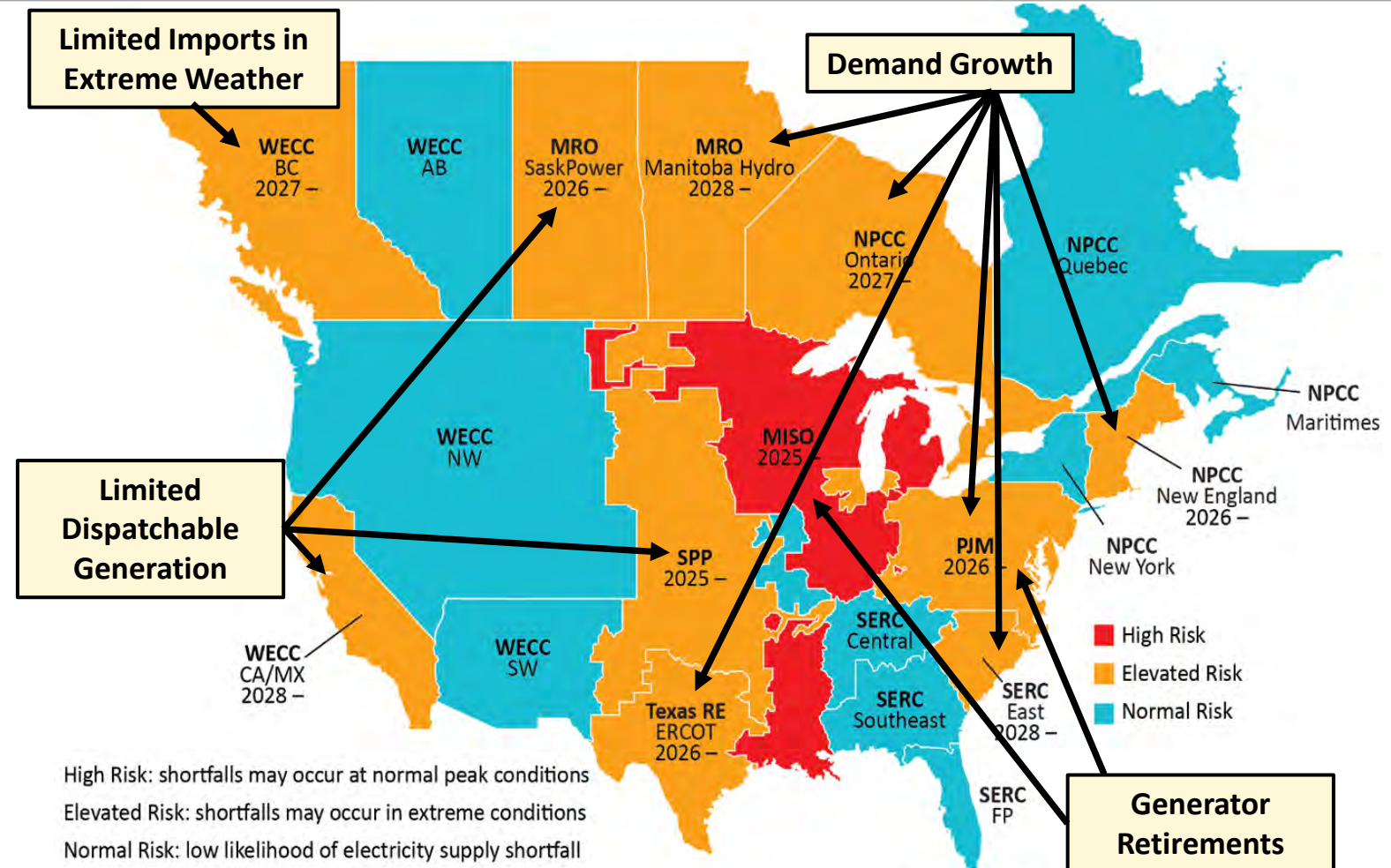


Figure 1: Risk Area Summary 2025–2029

Florida Has Robust and Resilient Transmission Except

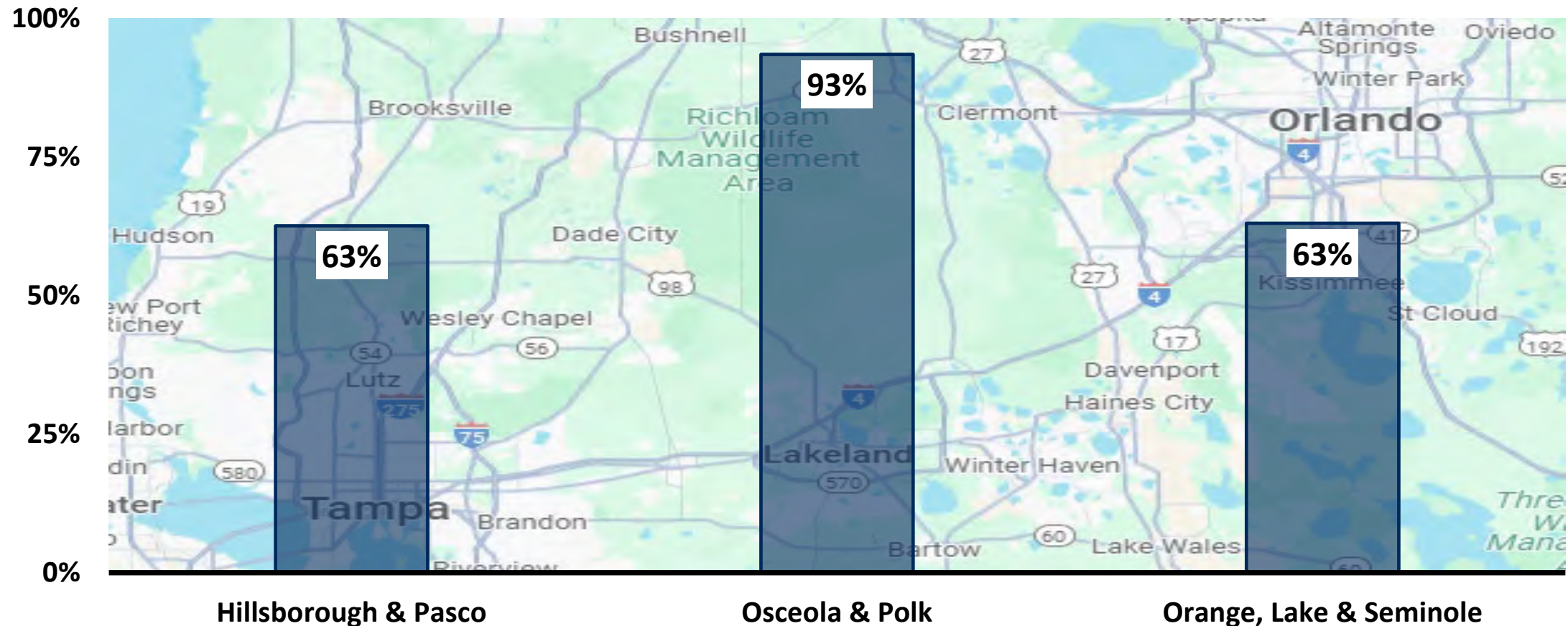
Central Florida Transmission Challenged Similar to I-4

- FPL and Duke doubled transmission investment over 5 – 7 years for resilience
- Statewide transmission reliability continues to improve
- Notable exception - lack of investment in Central Florida Corridor (CFC) – equivalent of I-4
- CFC comprised of 9 major generating utilities – FPL, Duke, TECO, Seminole, FMPA/KUA, OUC, Lakeland and CFTOD
- One of the fastest growing areas in the state with counties up ~70% since 2000
- CFC has had numerous transmission constraints affecting FMPA generation at Cane Island, Stanton, Sand Lake and possibly Mulberry and Bartow Energy Centers
- Planning at "county" vs 'state" level – need robust state solution with all participating
- FRCC proper forum to push for statewide solution with joint action/ownership

Corridor Counties Growth at 60 - 90% Since 2000

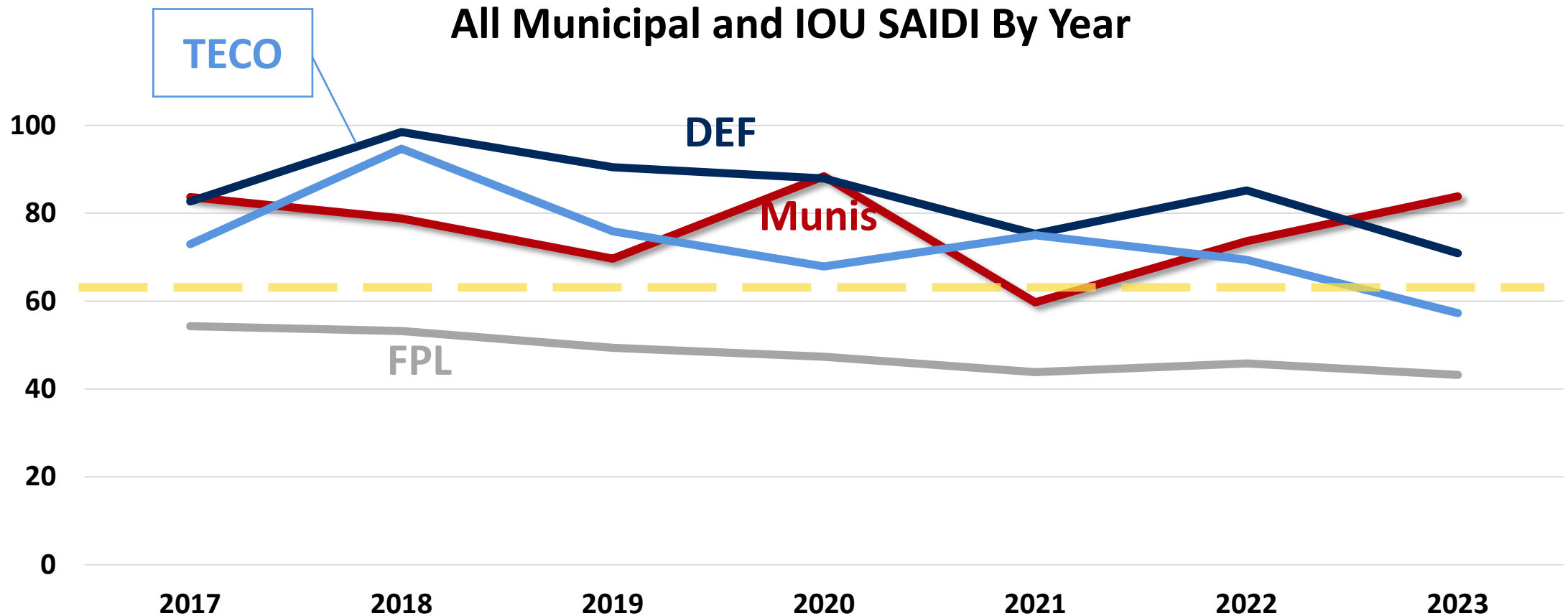
Transmission Congestion and Operational Issues To Persist

Population Growth From 2000-2024 (%)



Municipal SAIDI Losing Ground to Goal and IOUs

Low-Cost Wholesale Power Supports Low Rates & Reliability Investment



Members Below 60 Minute Outage Goal (SAIDI)

Some Members Providing Best Reliability in State

- Alachua
- Bartow
- Beaches Energy*
- GRU
- Havana
- Keys Energy
- KUA*
- Lakeland
- Newberry
- OUC
- Starke
- Wauchula*
- Winter Park*



Brian Horton, KUA President and General Manager

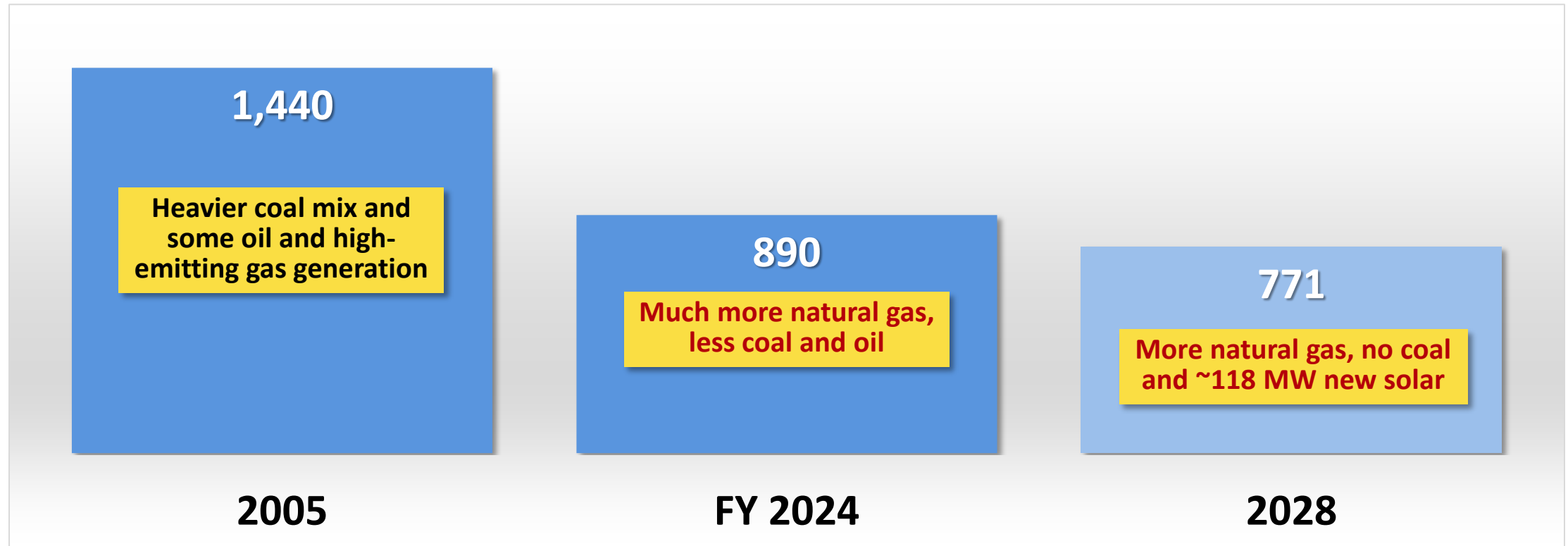
*Indicates Utilities with Lowest Outage Duration in Their Size Class

FMPA CO₂ Projected to Decline Significantly by 2028*

~50% Decline from 2005 to 2028: More Gas and Solar, No Coal

CO₂ Emissions for FMPA's All-Requirements Project Generation

Pounds per Megawatt hour, historic and projected



We Want Your Feedback

Which do you believe is the highest priority for FMMPA:
Low cost, reliable or lower emissions?

Please provide your feedback in the poll (ranking).

FMMPA Focused on Lowering Costs, Advocacy

Are Any Other Priorities Rising to the Strategic Level?

- FMMPA's and Florida's costs down with lower prevailing natural gas prices
- Munis rates competitive, IOUs rates slightly up as storm charges offset lower gas
- FMMPA price stability program implemented to lower year-over-year volatility
- Continue policy advocacy for more abundant natural gas supplies and pipelines
- Distribution reliability investments needed for gains while low power costs exist
- Potential ways to lower power costs on annual basis:
 - Continue high availability of low-cost units ~\$8-10M
 - Maximize asset value by implementing pool service expansion or alternative ~\$3 - 10M
 - Pursue more 3rd party capacity sales that bring added value to FMMPA ~\$10 - 20M
 - Stanton 2 minimize exposure to coal dispatch costs ~\$3 - 5M
- Are any other priorities rising to the strategic level?



2025 IRP Refresh – 20 Year Baseline Assumptions – Load Growth/Data Centers and Generation (New Nuclear)



Energy Market Landscape



Post Election Focus on Abundance, Low Cost

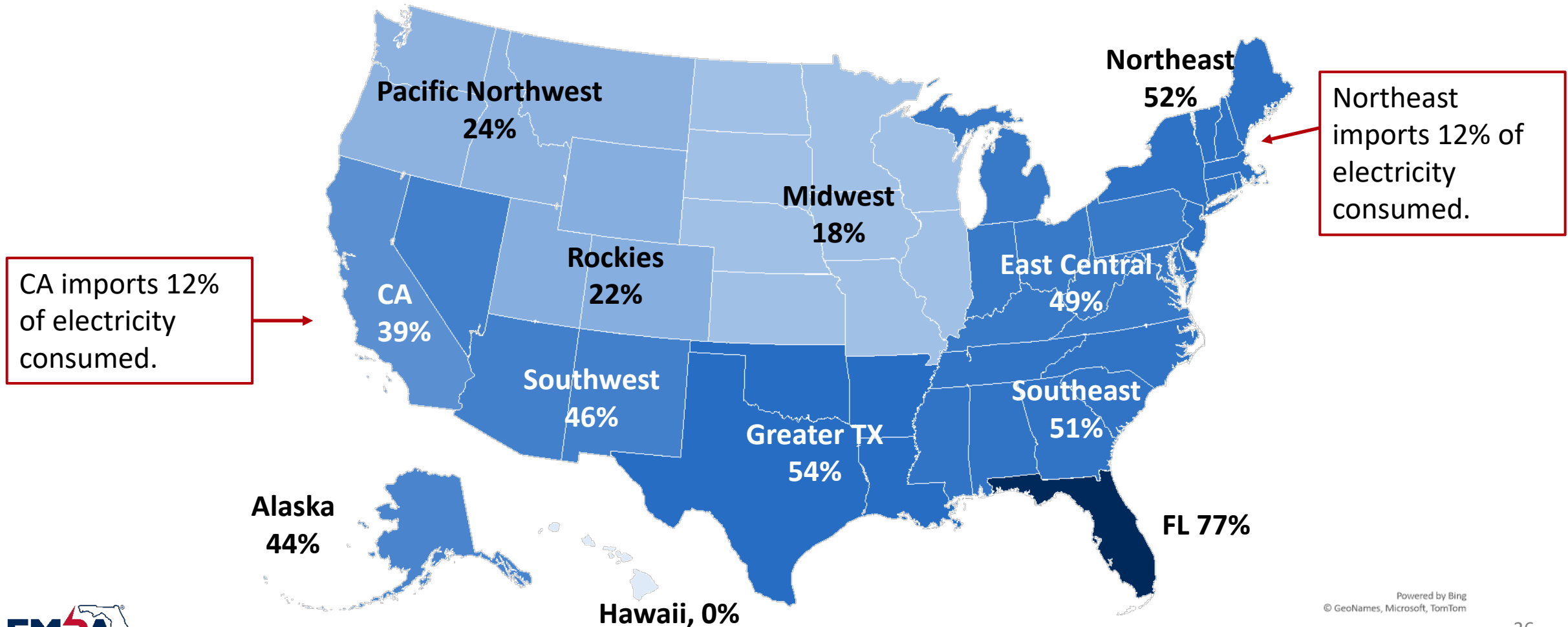
Reliability and Affordability Hopefully Take Center Stage

- Increased access to drill for gas and oil in West where Feds controls ~80% of reserves
- Expedite natural gas and oil pipeline permitting process
- EPA GHG challenge good chance to prevail, avoiding premature retirements of reliable generation
- Uncertainty in Federal support for new wind and solar with incoming administration
- Reliable, dispatchable generation close to load far less costly than large scale transmission expansion for intermittent energy supplies
- Data Center load growth challenging U.S. power supply – retirements slowing and reactivations of coal, gas and nuclear starting
- Gas turbine backlog at 5 years with bubble larger than early 2000's – prices high
- Next generation nuclear efforts underway with Big Tech financial support
- EV incentives waning

Florida is Most Gas-Dependent State in the Country

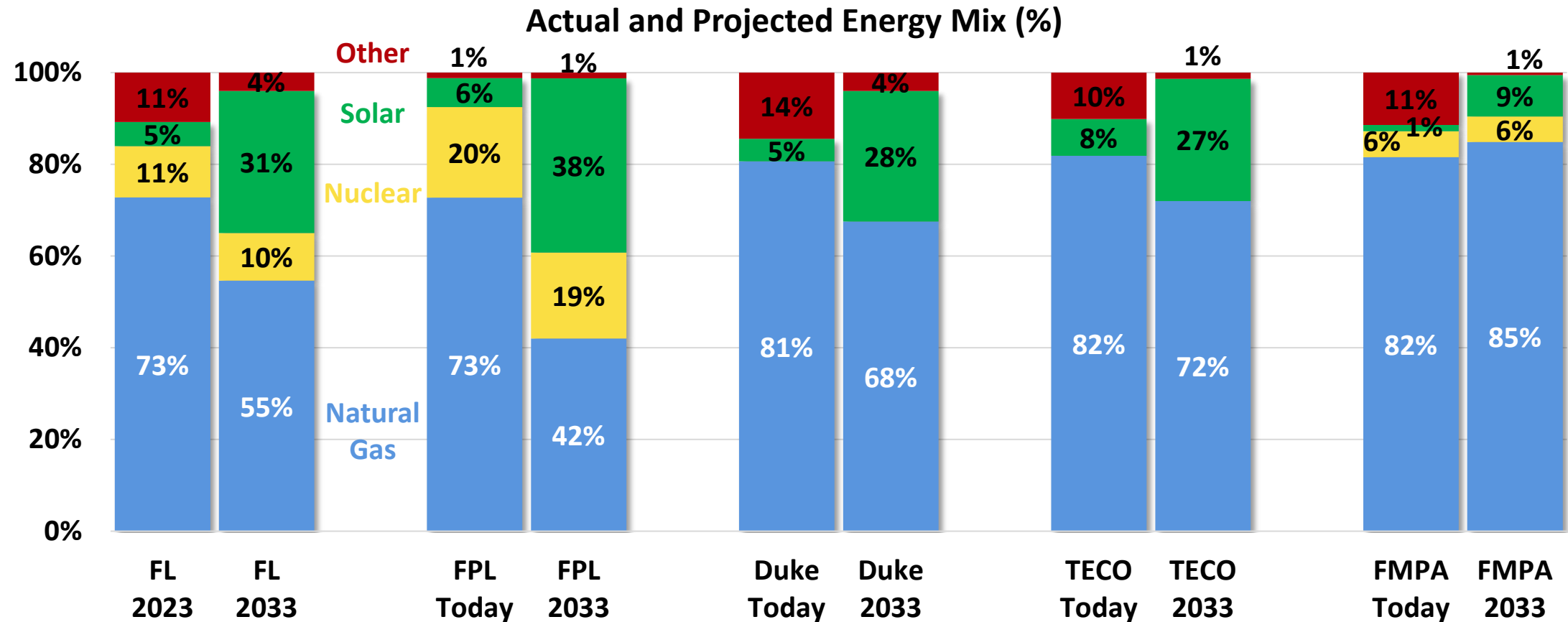
As Natural Gas Prices Goes, So Goes Florida Power Costs

Regional Electricity Generation from Natural Gas as Percentage of Total Generation (2024¹)(%)



FMPA is More Gas Exposed Than Others In Florida

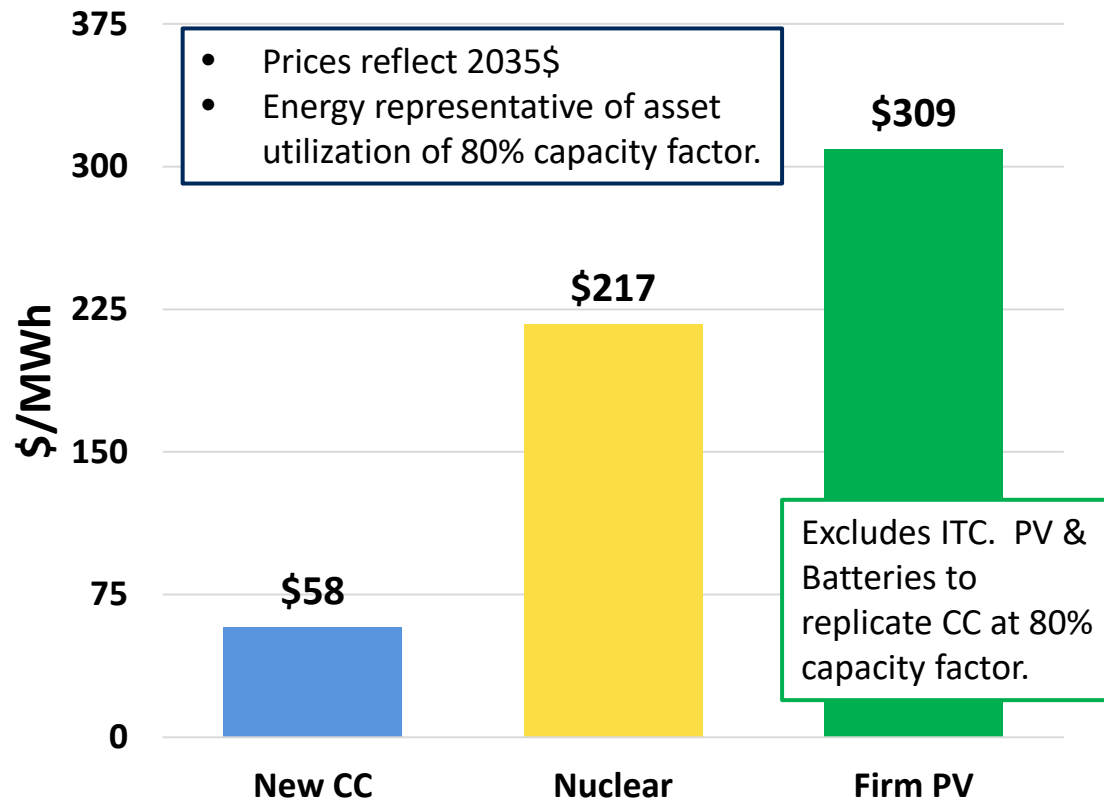
Utilities Adding Solar, Storage and Some Gas, Solar Pace May Slow



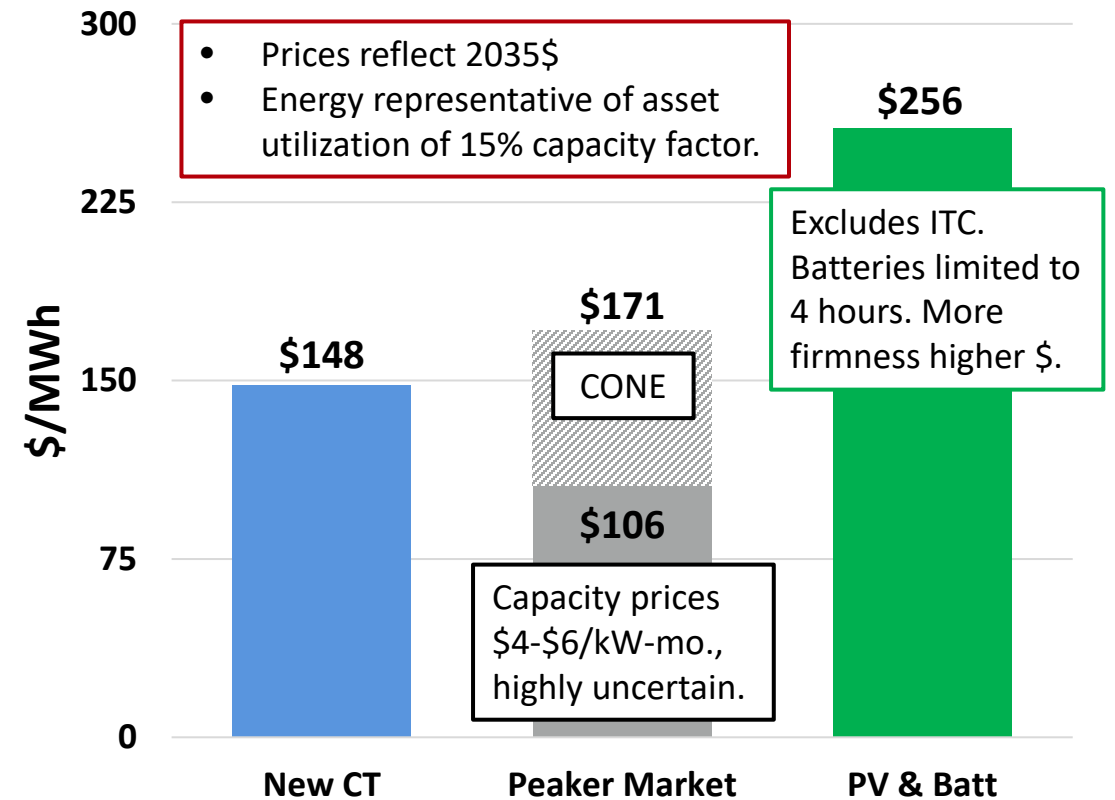
2023 IRP – CCs & CTs Most Reliable & Low Cost in '35

Inflation Expected, Refine Numbers in '25, Peaking Need Focus

2035 Baseload Levelized Cost (\$/MWh)



2035 Peaking Levelized Cost (\$/MWh)



Existing and New Nuclear Getting Significant Attention

Data Centers and AI Looking for Reliable and Zero Carbon Power

- Data Centers looking for large amounts reliable power with preference for zero carbon
- Nuclear plants fill that need – Retired, Existing and New
- Several retired nuclear plants potentially coming back – Reliability and/or data centers
- Data Centers negotiating with operating nuclear plants for power sales - 3-Mile Island
- Amazon & Google financing and take development risk on 300 - 500 MW of SMR's
- Challenge for new nuclear – 10 – 15-year timeline vs 2 – 4 year Data Center need
- Data Centers needs in 2 – 4 year or sooner, very large sites – 1 – 3 GWs in one place
- ***Strategic question – extent of resources to dedicate by FMPPA to support FL nuclear expansion***

We Want Your Feedback

Should FMPA consider dedicated human resources (e.g. portion of FTE) to further foster FL nuclear expansion?

Please provide your feedback in the poll.

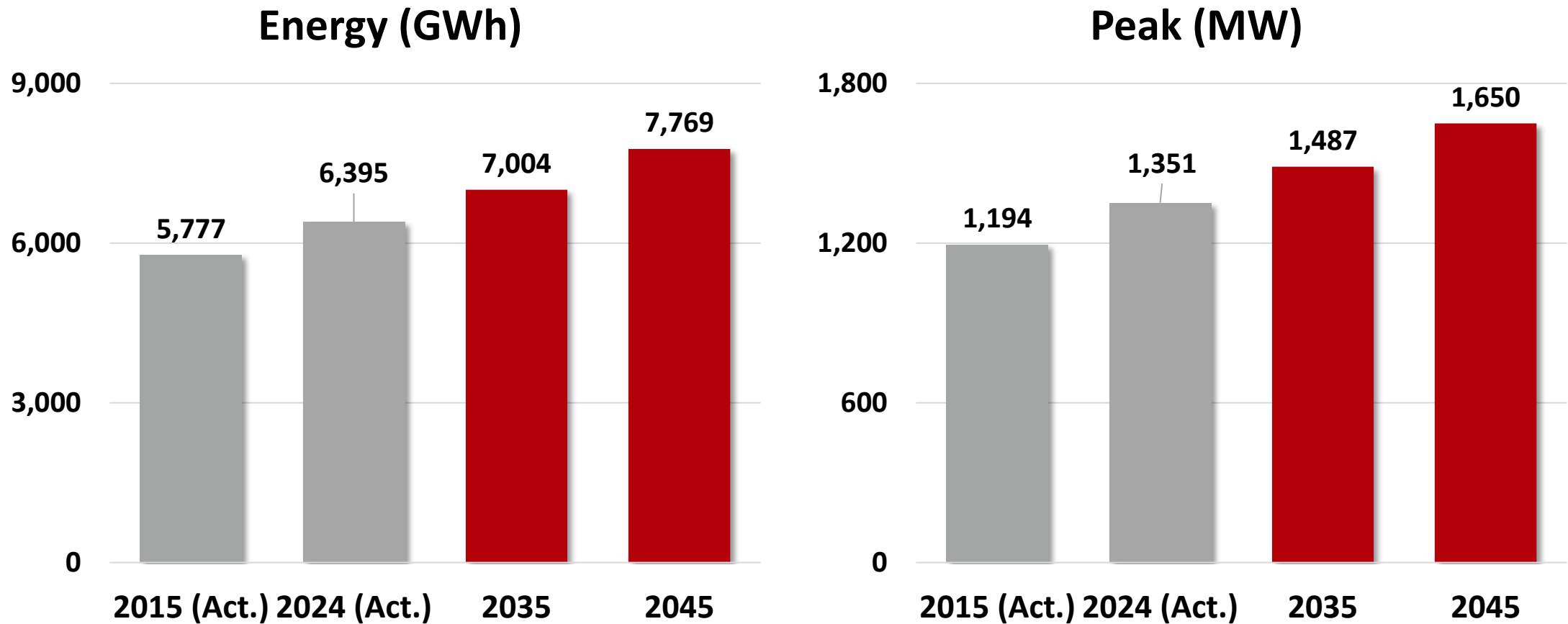


Future Load Growth



ARP Energy and Peak Grow ~1% Per Year¹

Last 10-Years ('15-'24) Load Growth At ~1.1% Per Year



Some Members Growing, Some Not, Population Growth

Counties w/ Developable Land Growing – Alachua, Osceola, Lake, Polk, Volusia

ARP Members

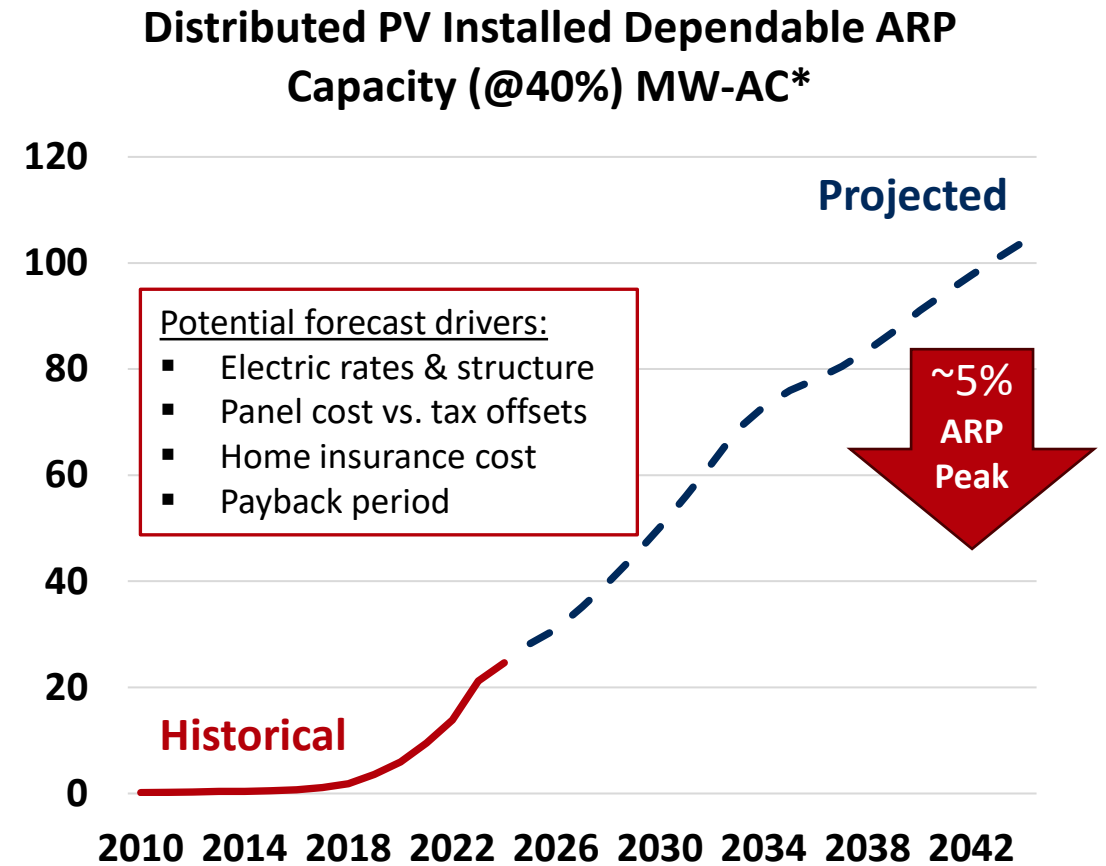
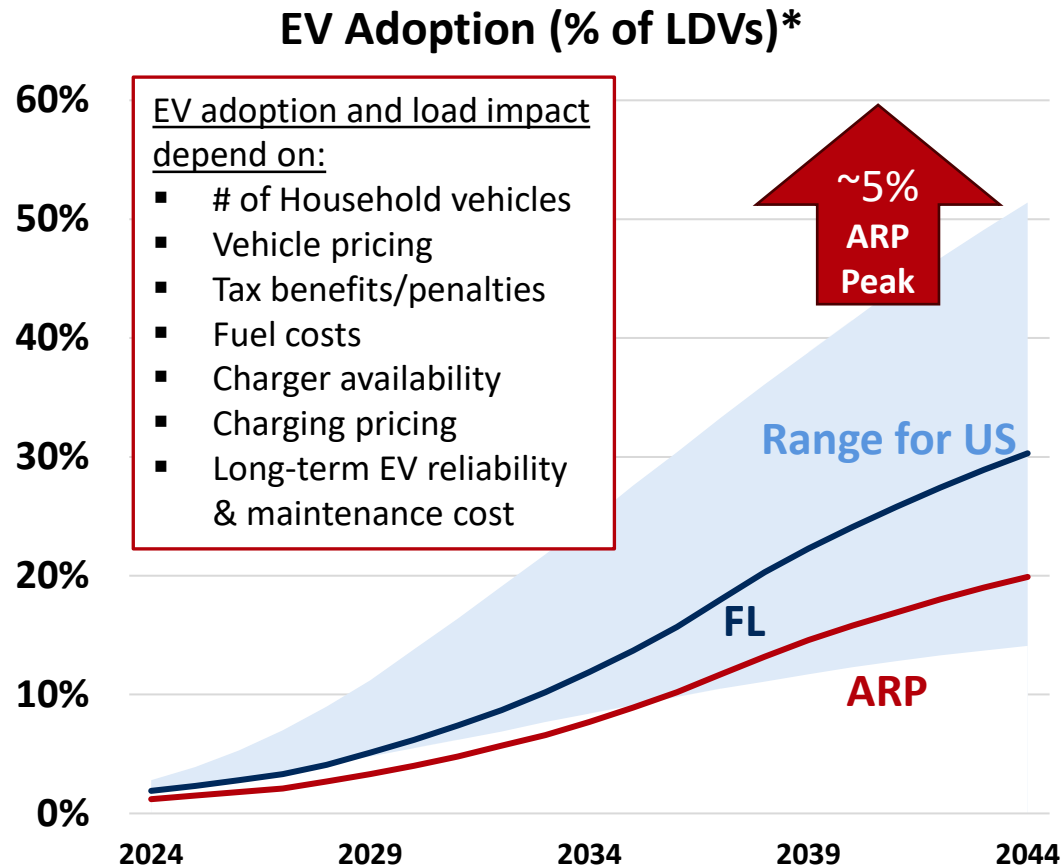
Member	Actual Growth ('15-'24) FY	FY 2024 Actual NEL (GWh)
Newberry	3.3%	48
Kissimmee	2.4%	1,862
Bushnell ¹	1.9%	61
Ocala	1.0%	1,412
Leesburg	1.0%	522
Ft. Pierce	0.9%	607
Ft. Meade	0.7%	45
Green Cove Springs	0.4%	116
Keys	0.1%	788
Clewiston	0.0%	106
Jacksonville Beach	-0.1%	735
Starke	-0.5%	69
Havana	-1.0%	24

Other FMPA Members²

Utility	Sales Growth CY 2015-23
Alachua	2.6%
Bartow	1.7%
New Smyrna Beach	1.7%
Homestead	1.6%
Lakeland	1.4%
Orlando	1.2%
Lake Worth Beach	1.1%
Mount Dora	1.0%
Williston	0.8%
Jacksonville (JEA)	0.4%
Quincy	0.4%
Moore Haven	0.4%
Gainesville	0.3%
Tallahassee	0.1%
CFTOD	0.0%
Winter Park	-0.1%
Wauchula	-0.4%
Chattahoochee	-0.5%
Blountstown	-1.5%

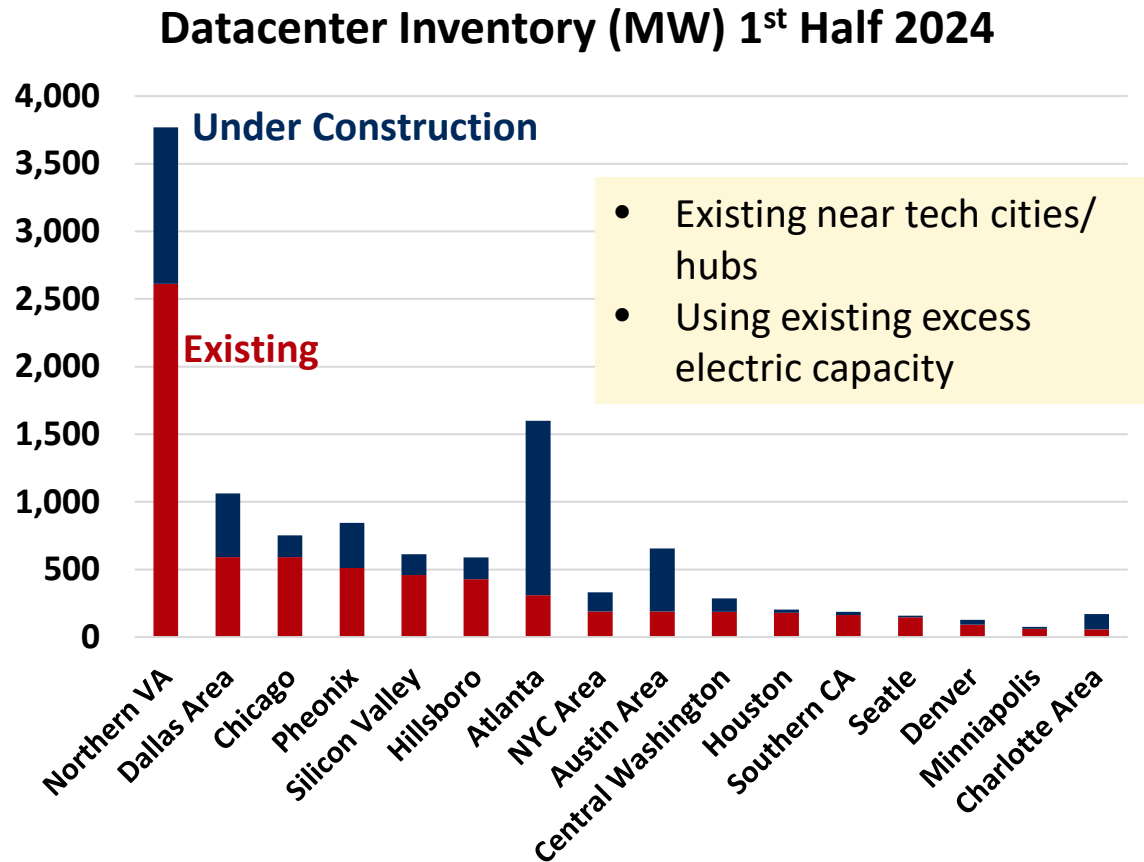
EVs Could Be Offset by Distributed PV in Next 20 Years

Incentives and Market Drive Adoption & Charging Preference



Data Centers/AI Driving Power Demand Nationally

Turn Watts Into Much Higher Value Bits, FL Not Prime Target



- Demand growth from Data Centers/AI is just beginning
- Average U.S. home has 21 connected devices
- AI search uses 10x power as Google search
- Turns Watts into Bits, much higher value so power costs less relevant
- Industrial Power cost \$100/MWh reasonable
- Shortage of power not chips to run Data Centers
- 4 Majors - Amazon, Apple, Google & Microsoft – 1,000 MW site/cluster
- Low carbon desired, but gas is acceptable
- Speed to get facility served with power biggest concern

Main Criteria for Data Centers

Speed for Power, Land, Labor & Community Support

- Main criteria is speed to quickly provide:
 - Power – 1,000 MW generation & transmission
 - Land - hundreds to thousands of acres
 - Expeditious zoning and permitting – significant community support
 - Access to skilled labor for construction and technical support thereafter
- Hurricane risk makes Florida unfavorable, new build gas lower cost than nuclear restart, which brings with it expectation of lower bulk power cost delivered to new load
- Main areas of growth:
 - Northern Virginia; Eastern Oregon; Columbus, OH, Georgia, Indiana and Mississippi
- Cluster multiple facilities in 50-mile radius for support
- ***Strategic issue – ensuring Member costs do not increase for chance to attract a data center on promise of lower retail cost or other benefits***

We Want Your Feedback

Should FMPA adopt position that Member costs should not increase when attracting data centers ?

Please provide your feedback in the poll.



Supply and Demand Balance



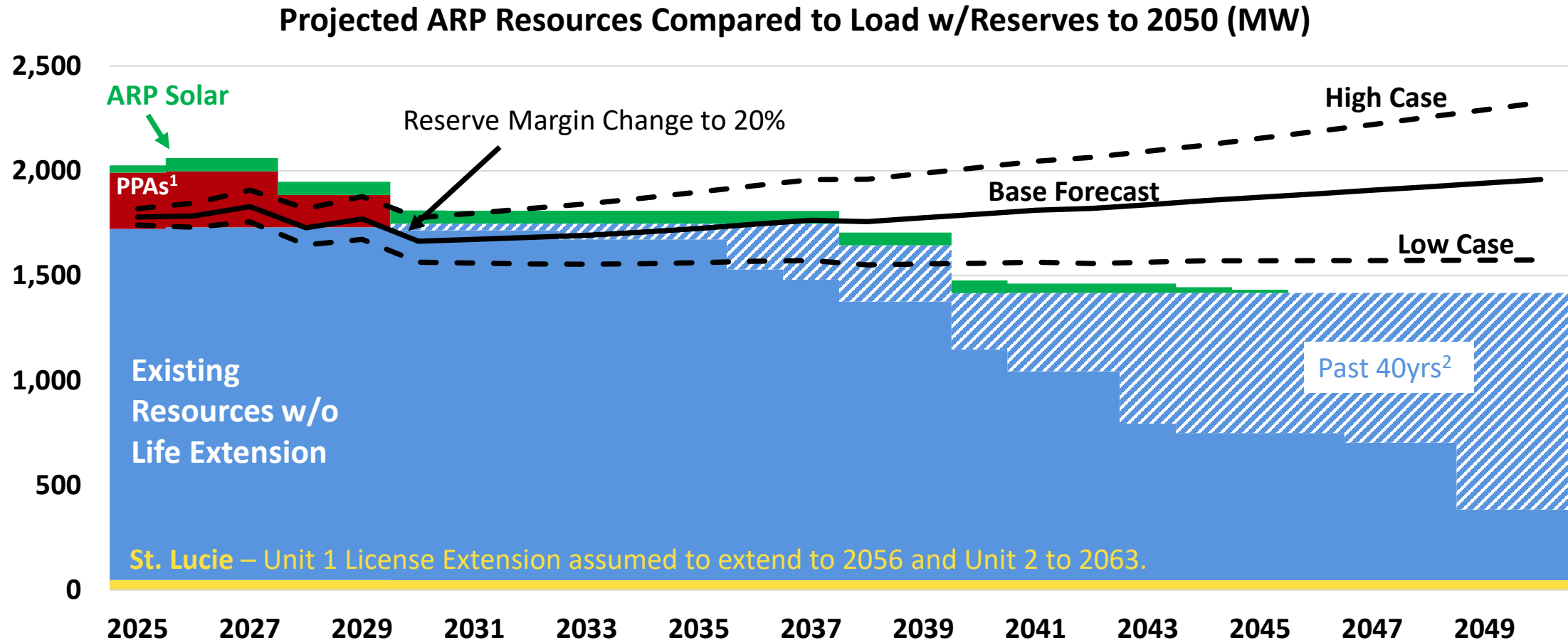
ARP Expected To Require New Resources in Mid '30s

ARP Workhorse Plants Should Operate 40 Years

- Acquisitions of Sand Lake, Mulberry and soon Bartow fulfill ARP capacity needs through ~2035
- ARP fleet well managed, efficient and low emitting resources, less regulatory intervention, should operate 40+ years, provide great value as majority of legacy ARP debt paid off in 2032
- St. Lucie nuclear licensure extension would extend life beyond 2050
- ARP does not have unilateral control over certain jointly owned peaking resources
- Capacity needs in 2035 and on are peaking and/or for fuel diversity
- In the mid-term horizon, ARP focus areas include:
 - Investigate extending the life of existing assets and low-cost peaking PPA extensions
 - Optimizing investment in existing units to increase capacity, maximize value and life
 - Look for opportunities to partner in new nuclear developments
 - Capture higher value for remaining surplus capacity as market tightens

ARP Resource Need Appears in ~2035

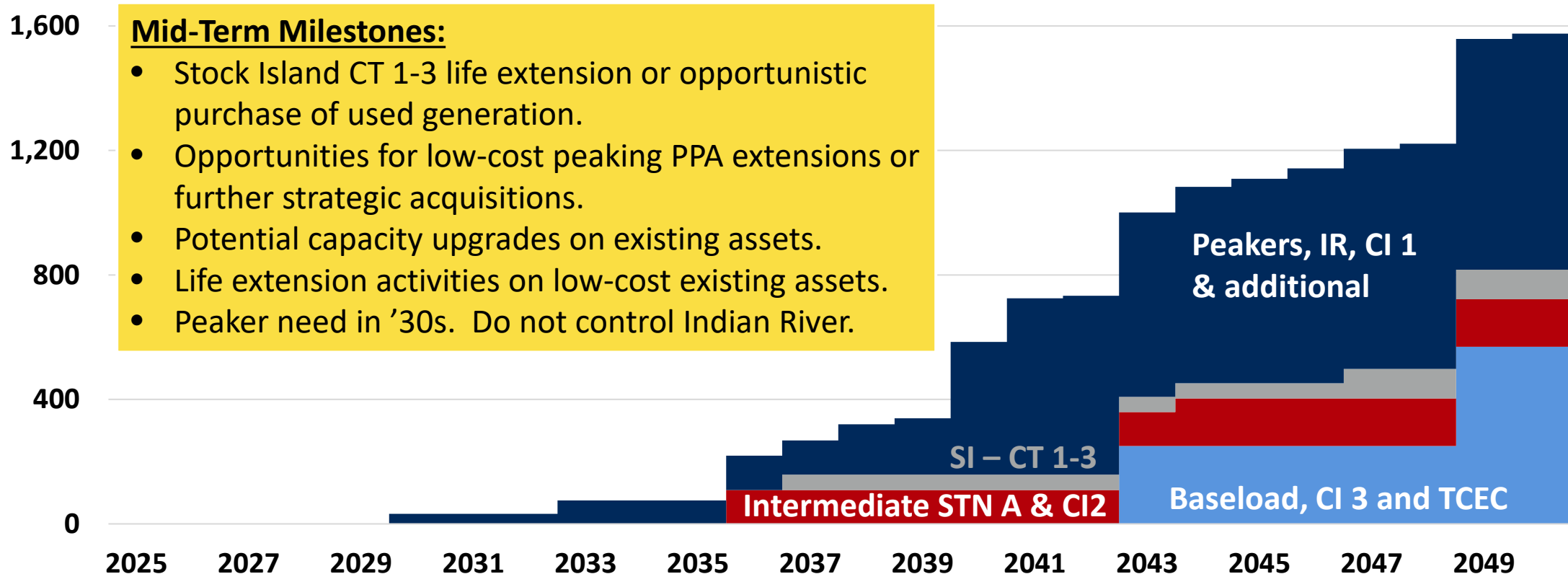
Extension of Peaking PPAs In Mid-Term Could Reduce Need



ARP Workhorse Assets Still Have Long Life Ahead

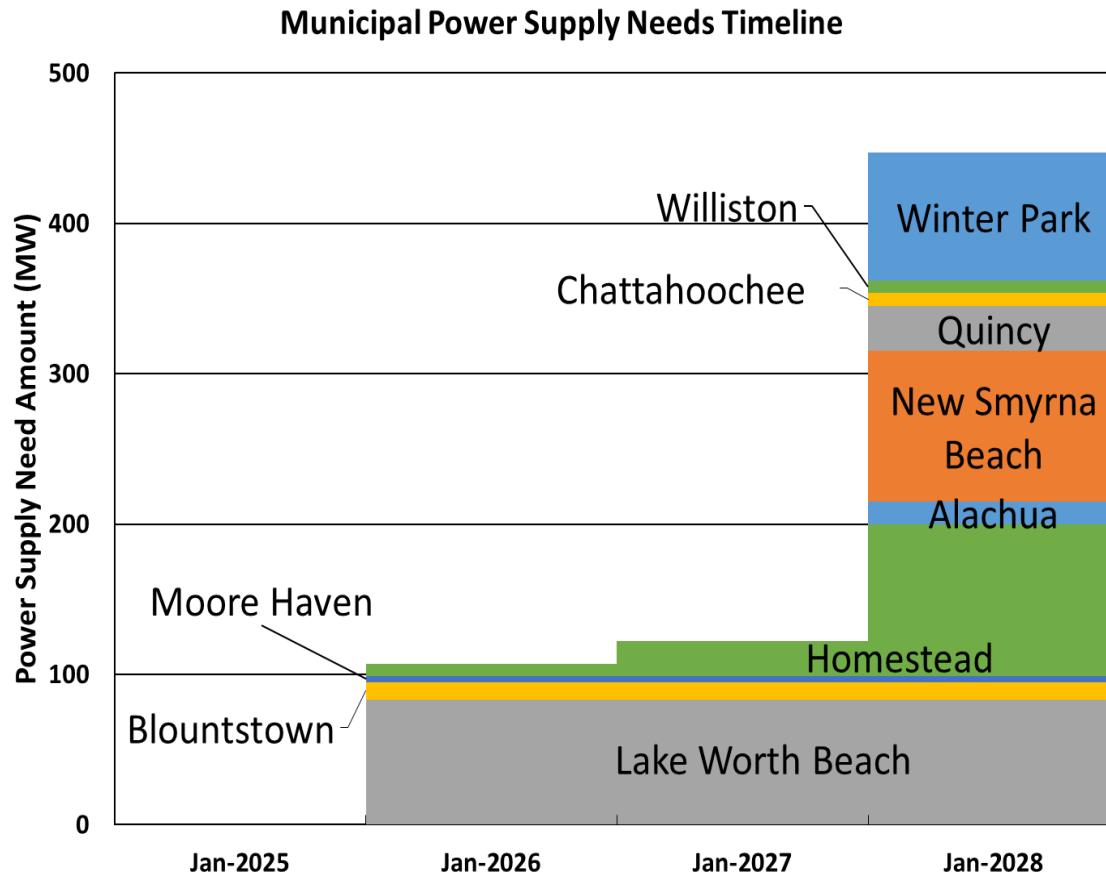
Key Incremental Decisions through 2035 to Be Explored

Projected ARP Need* by Generation Type (MW)



Municipals Will Seek Nearly 500 MW by 2028

Could Influence Resource Decisions in Mid-Term



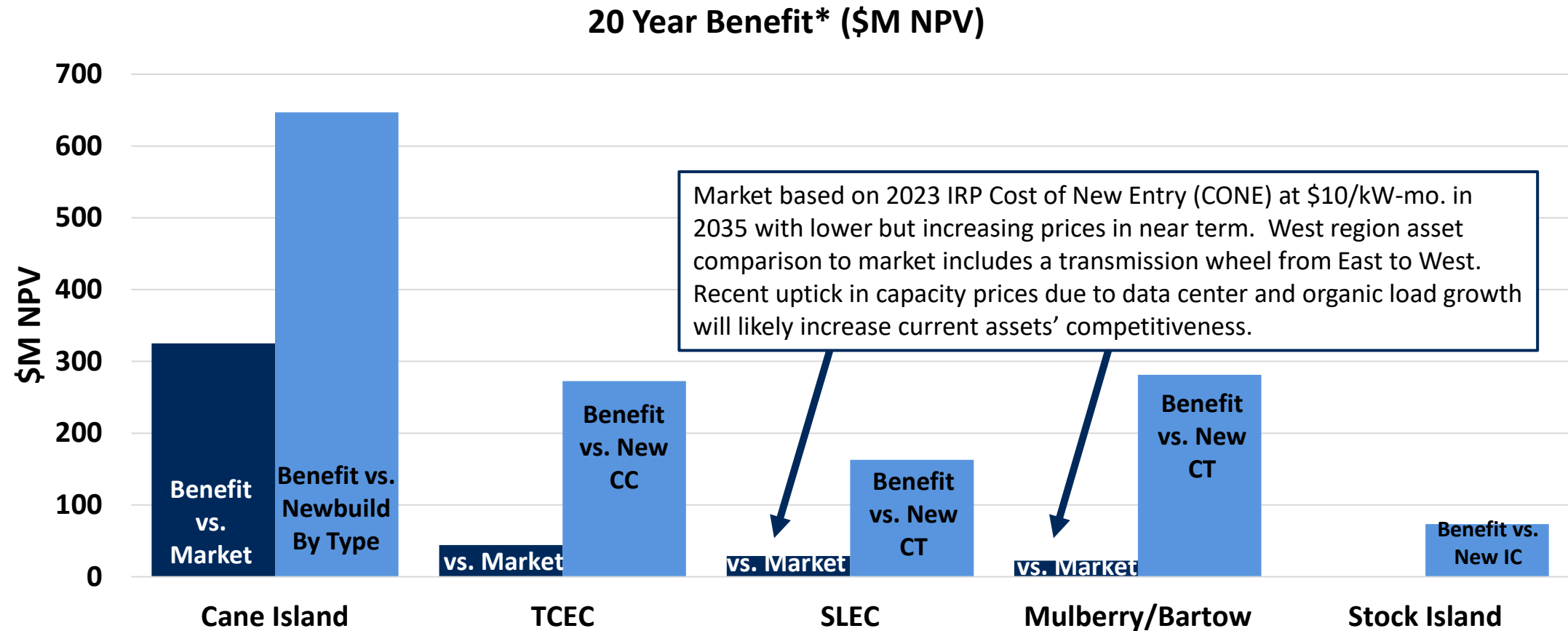
- Municipals' existing arrangements with ARP/others begin to expire by mid-decade
- Other generators looking for reliable capacity – TECO, Seminole, JEA, GRU¹
- Opportunistic purchases limited as existing capacity becoming scarce
- Growth in demand raising cost & extending timeline for new resources
- Opportunity to sell excess capacity at higher values as market tightens
- Open to resources several years before need if cost offsets are available



Existing Units Life Extension Competitive Option

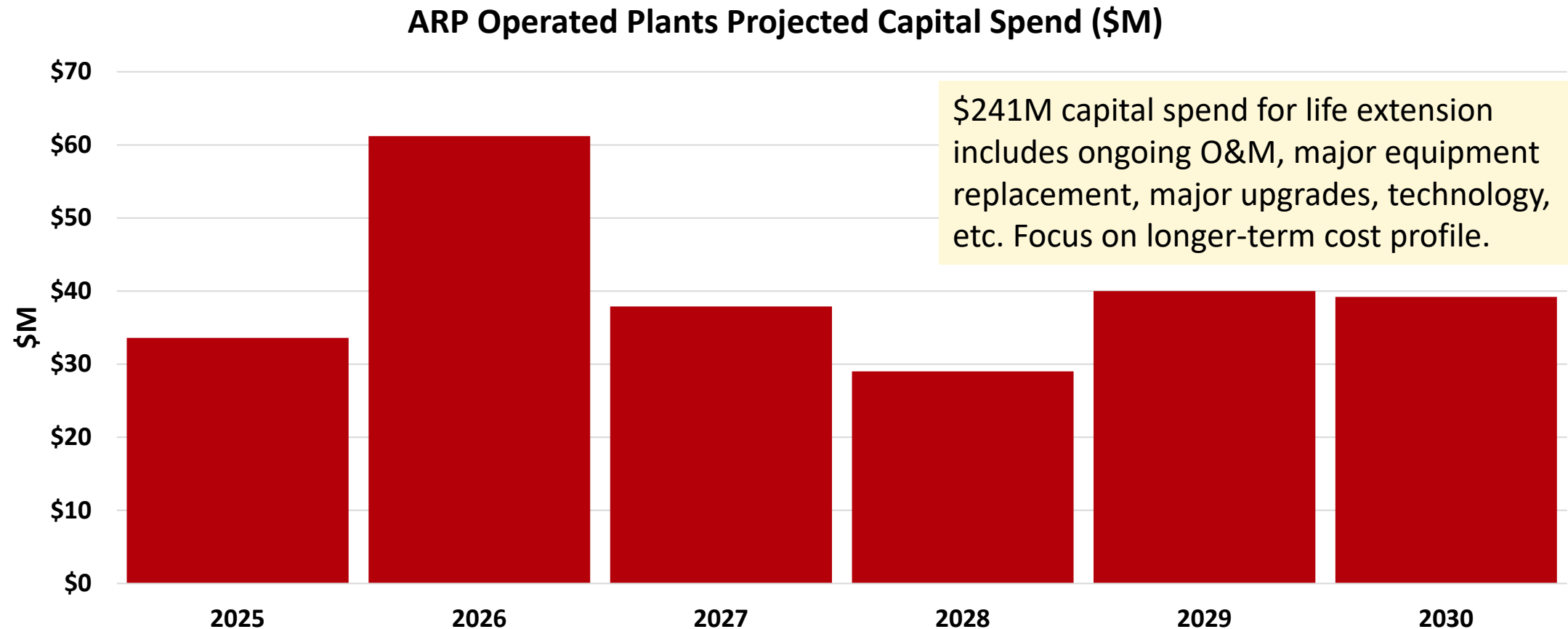
20-Year Site NPV Competitive to Alternatives

Supports Operating Resources Generally To 40 Year Useful Life



Plant Capital Spending Directly Affects R&R & Debt

FY26 Capital Planning Focusing on Prudent Life Extension Investment



2025 IRP Focused on Existing Asset Assessment

Support on Investments, Unit Condition and Technology Evaluation

Life Extension Analysis

- Technology Characterization (cost and performance assumptions) for upgrades and enhancements, refresh new build assumptions
- Refine 20 Year Existing Resource Competitiveness

Production Cost Simulations (Only As Needed)

- Least cost expansion scenario given updated assumptions (only if changes warrant)



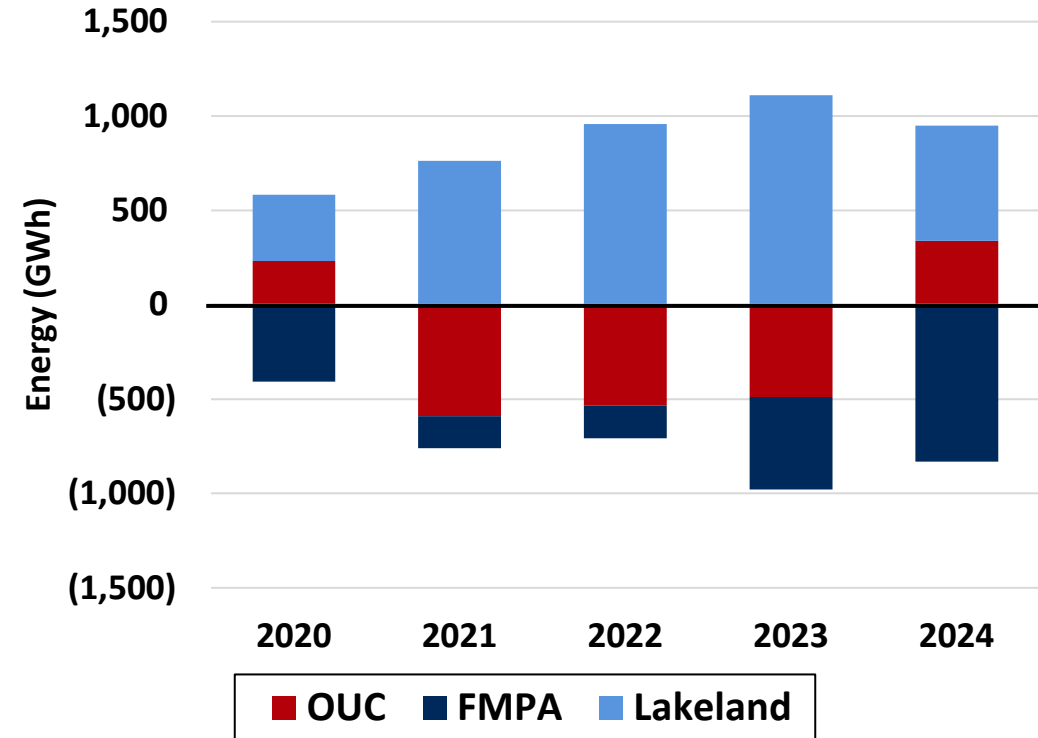
Potential Value of Balancing Authority Alternative and/or FMPP Services Expansion

FMPP Generation Mix and Rules Under Adjustment

FMPP Increasingly a Net Seller in Pool

- Fundamental change in resource mix changing Pool dynamics – coal going away and large solar additions
- FMPP reduce Pool sales exposure since 2018 but remains significant seller - expect trend to continue
 - 2024 a preview of post-2025 SEC1 Closure
- Current rules provide minimal seller margins – studies underway on balancing buyer/seller interest
- Ancillary services under development for last 2 years – would benefit those supporting solar "swings"
- Large EMS upgrade in next 3-5 years
- Studies happening, but improvements are a ways out

Fiscal Year Net Buy/(Sell) Position
by Pool Member¹



1 – External market transactions excluded; totals do not net to zero.

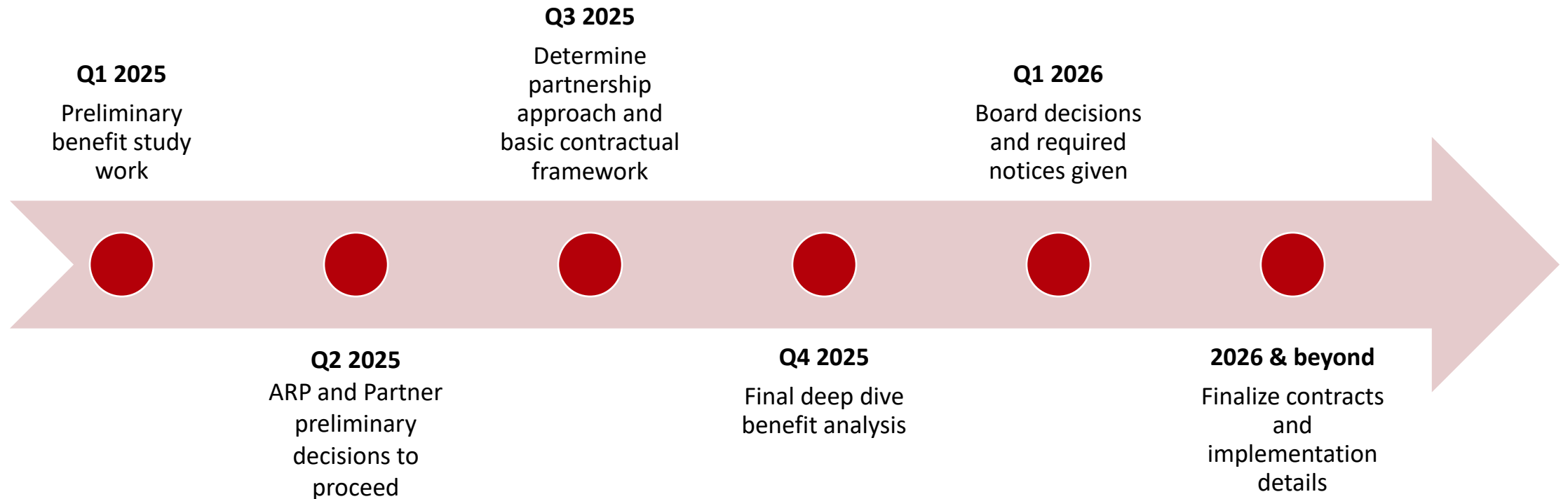
Potential Value New Balancing Authority \$3 – 10M/Yr

Better Aligns With Needs, Lower Cost Units, & Increases Scale

- New Balancing Authority (BA) alternative potential for ~\$3 – 10M in annual value to FMPA
- Better aligns with FMPA current and future needs:
 - Dispatches units and serves load in Duke and FPL areas
 - Immediate redundancy for events in each transmission area and shared transmission dependencies
 - Transmission cost savings potential to direct serve a few Members
- Lower cost units with new very large, highly efficient combined cycle
- Open to reasonable value share of buys and sells – not biased to buyer gets most value
- BA alternative already operational – no need for new build and limited added staff needed
- FMPA's ~\$3M per year for existing Pool balancing authority (BA) used as cost offset in Alternative
- Alternative has needs our resources provide
- Alternative scale 40% larger than existing BA more geographically diverse

Analysis & Discussions With Potential BA Partner Proceeding

Both Parties Committed To Concept & Review of Potential Value



Continue FMPP Service Expansion Effort in Parallel

Study Showed ~\$2.6M/Yr. ARP Benefit, Middle of Expectation

Collective agreed to move forward “walk first” services and pause further studies on a full BA arrangement.

- FMPP Optimizer expanded to all assets

Maintenance Coordination



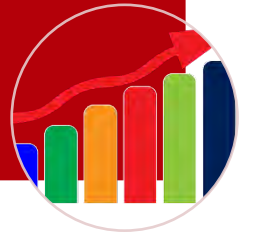
- Liquid, pre-EEA energy market transparency

Post FRSG Reserve Share



- Scope out day-ahead joint dispatch & bilaterals

FMPP + 1 Joint Dispatch



Highly complex, multi-year, multi-lateral engagement required to bring “walk-first” services to fruition.

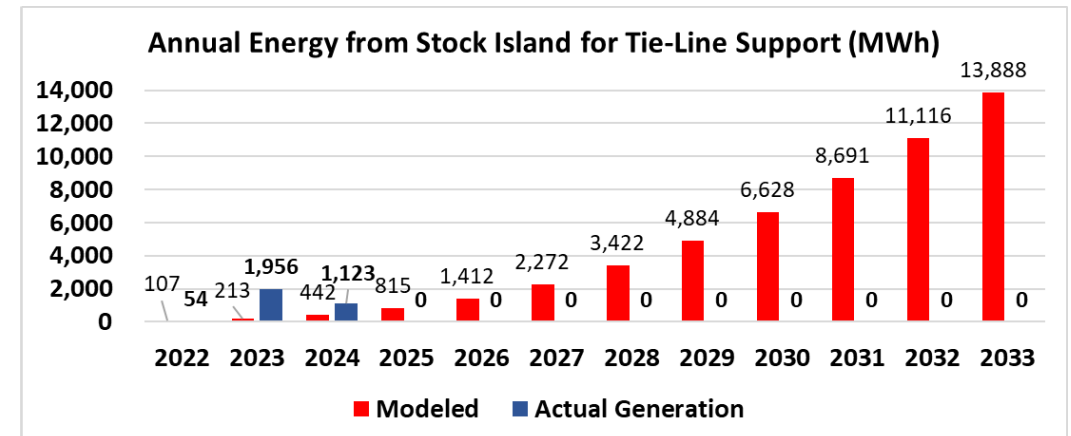
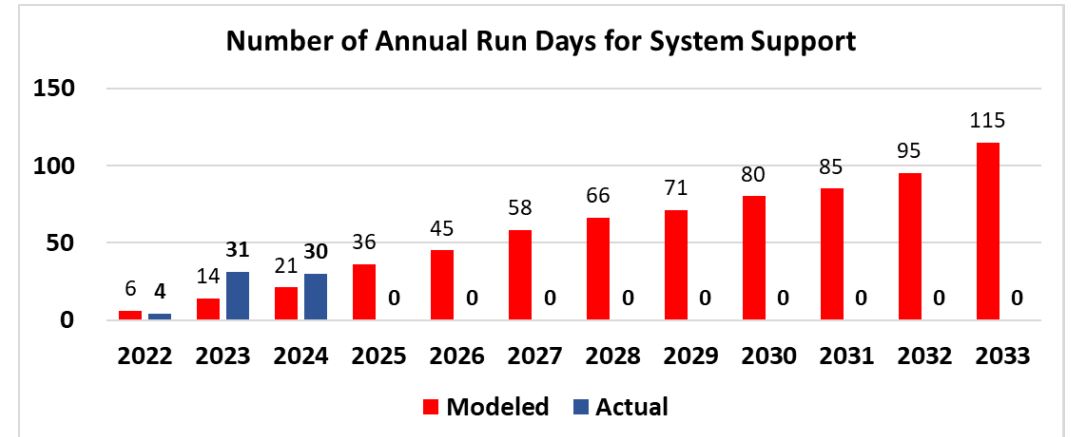


KEYS Energy Reliability Plan

Overall Unit Operation Outpacing Expectations

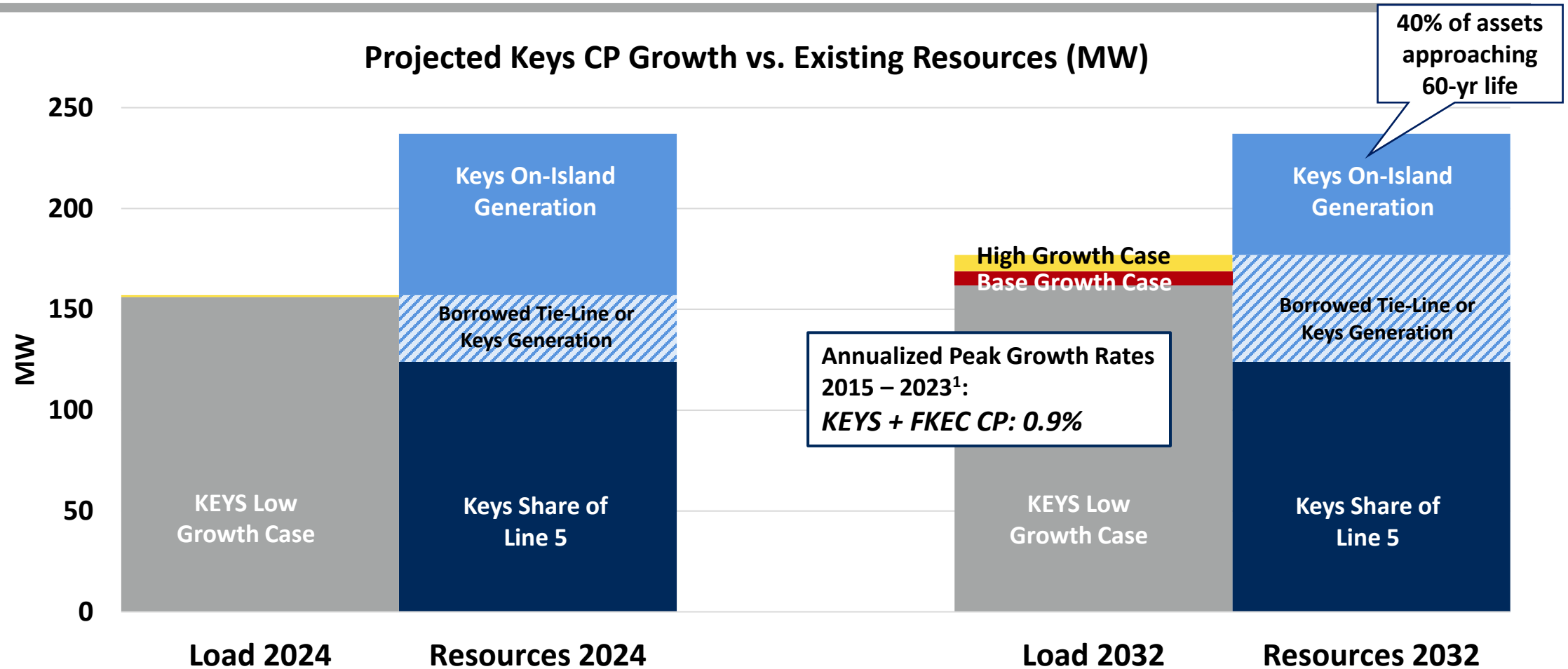
Weather, FMPP and Other Factors Increase Unanticipated Ops

- Stock Island generated 1,123 MWh for tie-line support in 2024 over 30 days
- 2024 units called for operation 44 days,
 - Transmission maintenance: 5
 - Forced outages/emergency: 4
 - Reserve calls/FMPP: 2
- Continued warmer, earlier summer patterns will outpace base projections
- Generation levels very challenging by 2030 - 2032



Keys Energy & Keys Coop Coincident Peak Growth Accelerating

Utilization of SI Generation Dependent on Coincident Peak



Used & Existing Gen Lowest Cost to Meet Capacity Goals

Higher Coop & Keys Energy Growth Require Additional Generation

- 20-yr NPV evaluation of replacement assets suggest used peaking generation most optimal economic solution that meets 20-year need
 - LM6000: Already in use within FMPA fleet
 - TM2500: Smaller units with similar capabilities of LM6000s
- Current demand for peaking generation may impact availability of resources over next 5 years
- Battery storage pricing currently makes the alternative less attractive
 - Staff monitoring pricing and has completed feasibility study on technology and siting
- Absent finding specific opportunity, life extension investment in existing CTs 1-3 next best alternative
 - Potential insufficient capacity in base and high load growth cases



FMIPA and Generation Fleet Succession Planning

Succession Planning Critical to Business Operations

Prepare for Uncertainties and Ensure Leadership Continuity

- Reduce operational disruptions so gaps aren't left when key team members leave
- Retaining top talent by providing opportunities from within for professional growth and development
- Employee engagement and job satisfaction increases by providing opportunities for career growth
- Develops a strategic mindset to equip the team with key competencies to be confident people leaders

Agency Succession Status

Team Members Reaching Retirement Age

- Number of positions out of ~70 in window for potential change

	Leadership/Director	Manager/SME
3-5 years	3	6
5-10 years	2	4
Total	5	10

Most Positions Have Succession Potentials

Progress Being Made On Placing Succession Roles

- Most Leadership/Director positions have succession potentials in 2 – 3 years
- Two Leadership/Director positions have longer development curves
- Several Leadership/Director potential moves last year for succession growth
- Manager/SME successions identified for most positions
- More Leadership development for strong technical talent
- More development at Manager level for Director/VP/Officer potential

Many Gen Leadership Roles Eligible to Retire in 3-5 Years

All Generation Sites Expected to Have Some Level of Turnover

- ~15-20 Positions of 60 Retiring Within Next 5 Years at TCEC, SLEC, Stock Island and Mulberry
- Develop Generation Team So Most Leadership Positions Can Be Filled Internally
- Cane Island has 45 team members and has a similar process through KUA
- All plant sites and FMPA office-based team contributing to fill succession roles
- Potential rotation across FMPA plant sites provide training opportunities
- Several candidates identified as high potentials for Manager/Supervisor roles
- Various hiring options for FMPA fleet
- Development of high performers consistent among all plants

Next Steps Training, Development and Mentoring

On The Job and Structured Training To Enhance Readiness

- Collaboration with Leadership on appropriate training for high potential candidates
- Job shadowing and mentoring to better understand broader roles of leadership
- Cross training to better understand different areas
- General Leadership, Supervision and Team Development skills
- Customized training programs to develop soft skills and technical skills
- Ongoing tracking of progress and quarterly HR updates

Opportunities Related to Filling Succession Roles

Adjusting to New Needs for Training

- Roles that have decades of institutional knowledge may require more overlap in training
- Ensure adequate training to prepare for transition for operational roles
- Higher investment in training
- Leverage all available talent for smooth succession transitions
- Potential to scale up staff and then scale back down



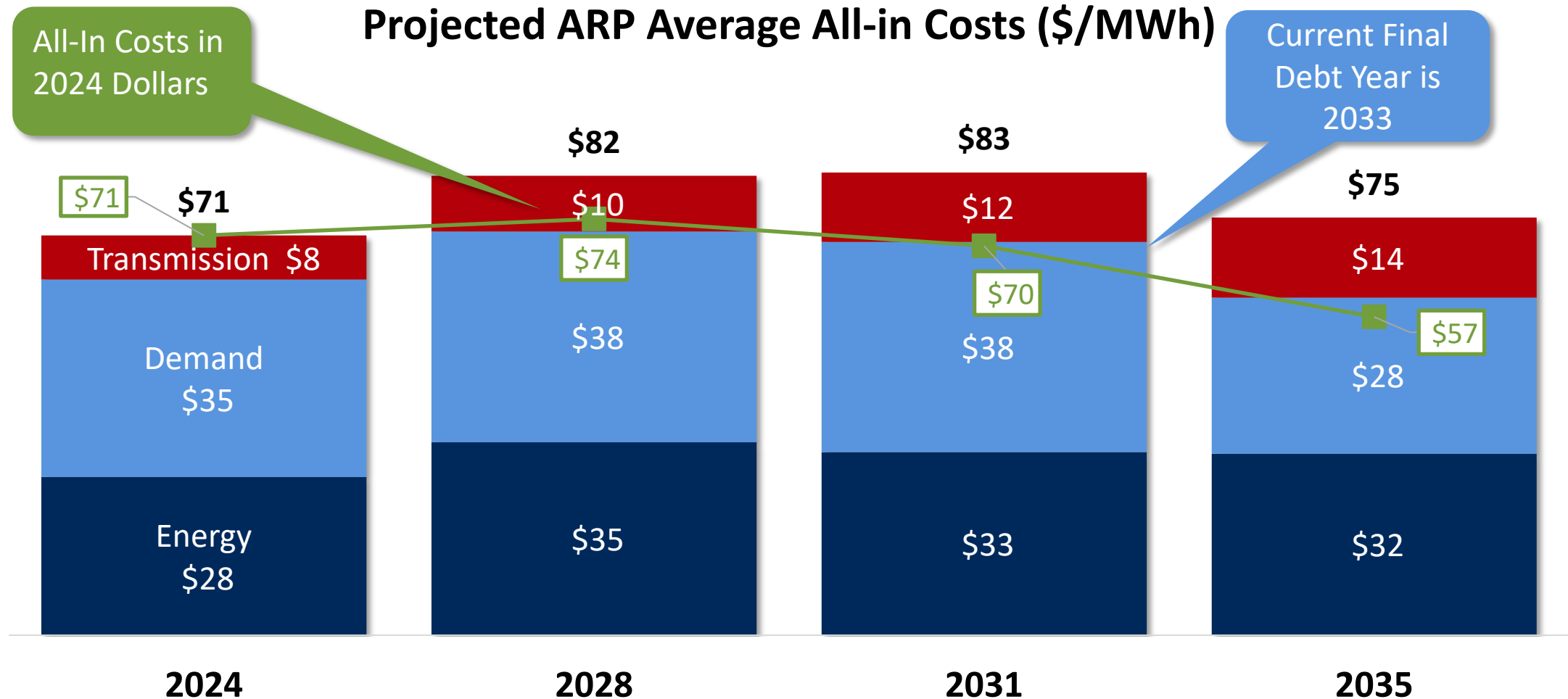
Asset Capital Plan and Rate Projections

Summary of Financial Positions for FMMPA Projects

- ARP fixed costs projected stable over next several years, with gas prices driving overall ARP costs
 - Pending plant acquisitions fill ARP capacity needs at low cost
- Stanton 1 retirement assumed in 2025; Stanton 2 gas conversion assumed in 2027
 - Stanton 1 ongoing post-retirement costs still to be determined but goal is no billings to Stanton and Tri-City project participants after retirement
 - Stanton 2 expected to reduce fixed cost post-conversion and operate more as peaking resource, with current debt payoff in 2027
- St. Lucie Project costs projected to remain stable
 - St. Lucie 2 operational license extension to 2063 pending
 - Current debt payoff is 2031 but capital costs to achieve 80-year life not yet known

ARP Costs Projected < \$85/MWh

Projected < \$77/MWh on Inflation-Adjusted Basis

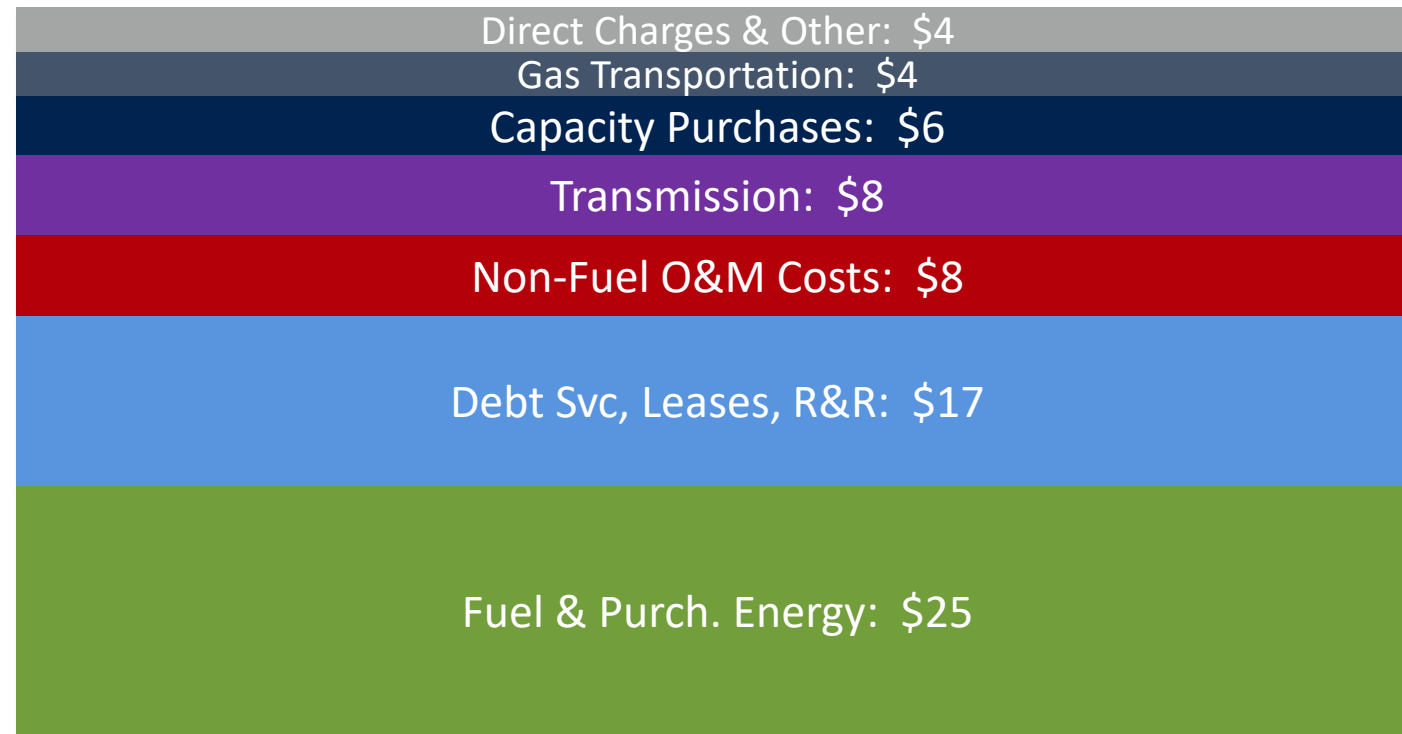


Natural Gas Prices Largest Driver of ARP Costs

Non-Fuel Costs Relatively Stable

Total ARP Participant Costs (\$/MWh)

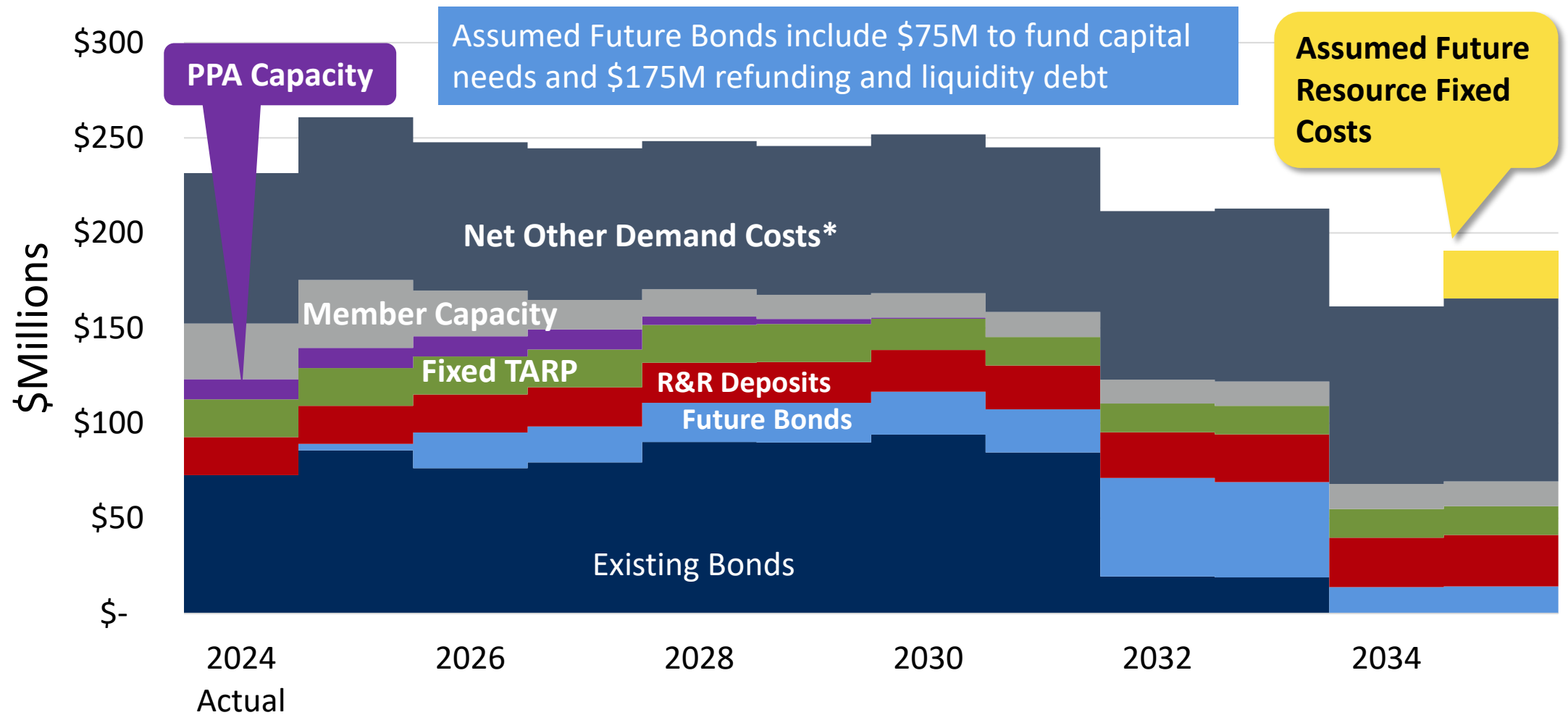
\$71



FY 2024 Actual

ARP Demand Costs Projected to Remain Stable

Debt Service Declines After 2031

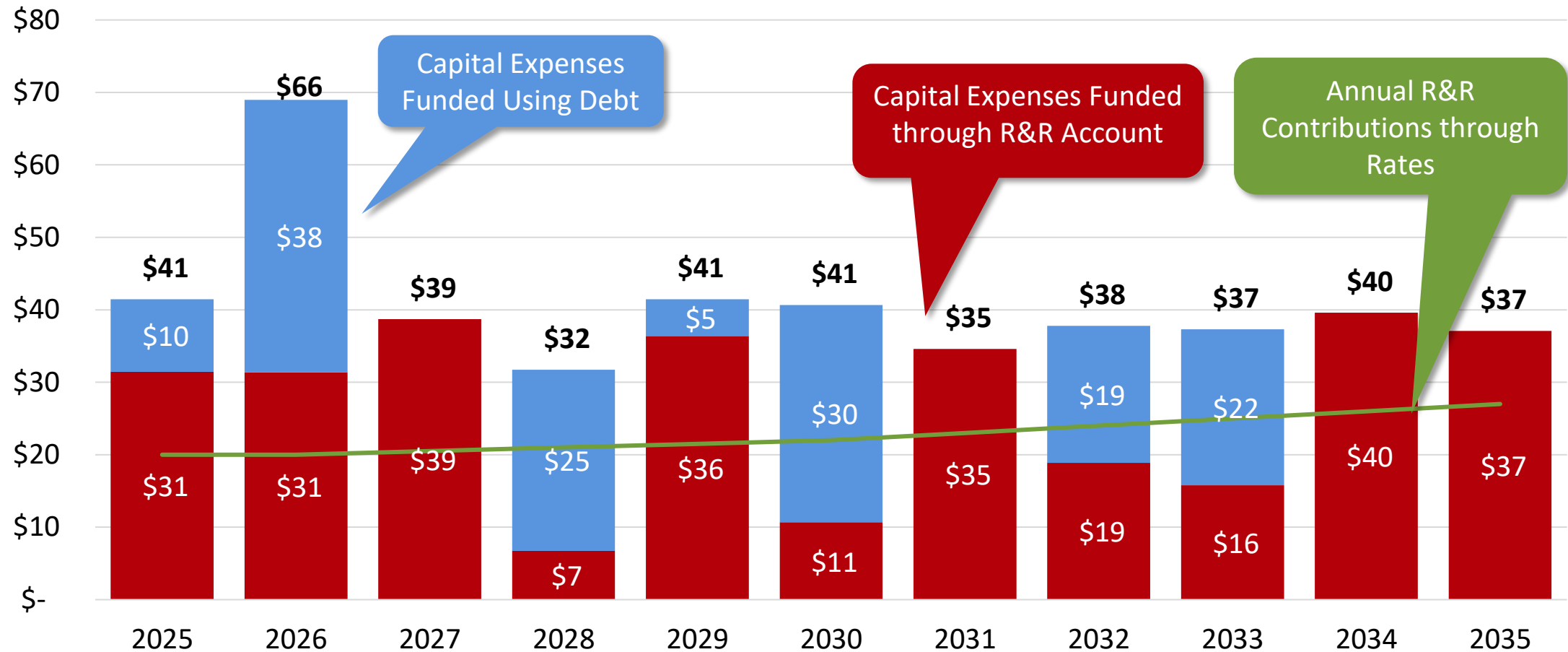


* Primarily includes fixed O&M costs, gas transportation costs, and allocated Agency costs.

ARP Capital Spending ~\$40M/Year Avg. through 2035

Debt Funding Will Be Needed to Support Continued Reliability

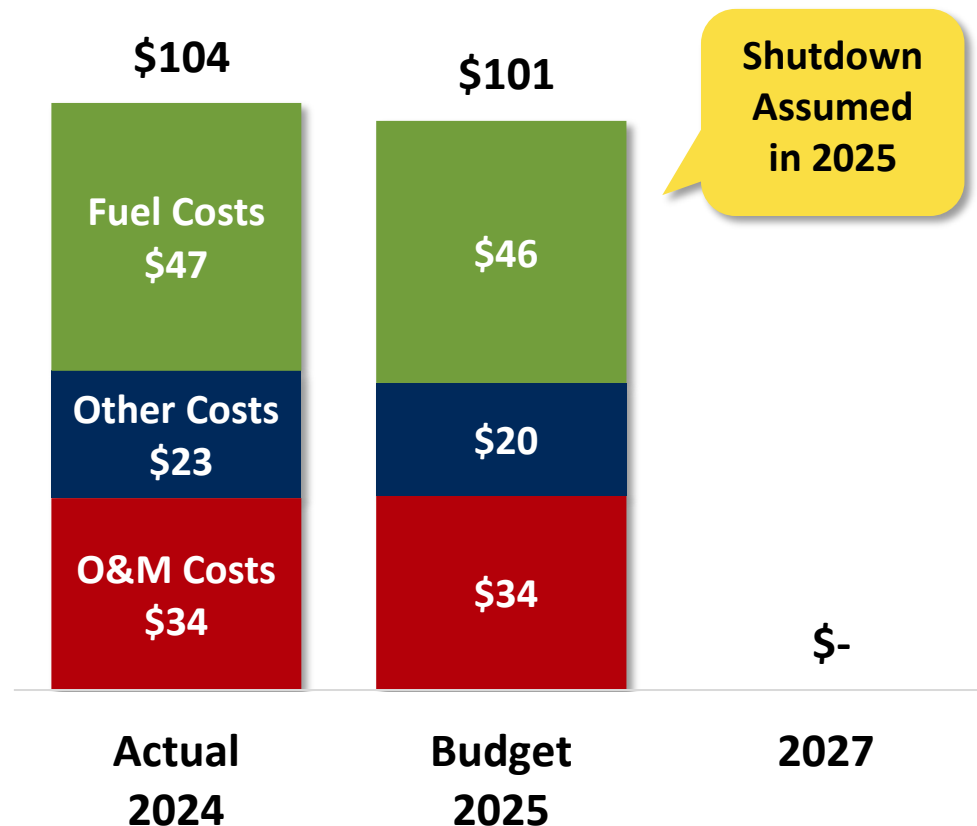
Projected Annual ARP Capital Expenses and Funding Plan (\$Millions)



Stanton 1 Effectively Retired by End of 2025

Building Funds to Cover Post-Shutdown Costs, No Debt Today

Projected Stanton Project Participant Costs (\$/MWh)

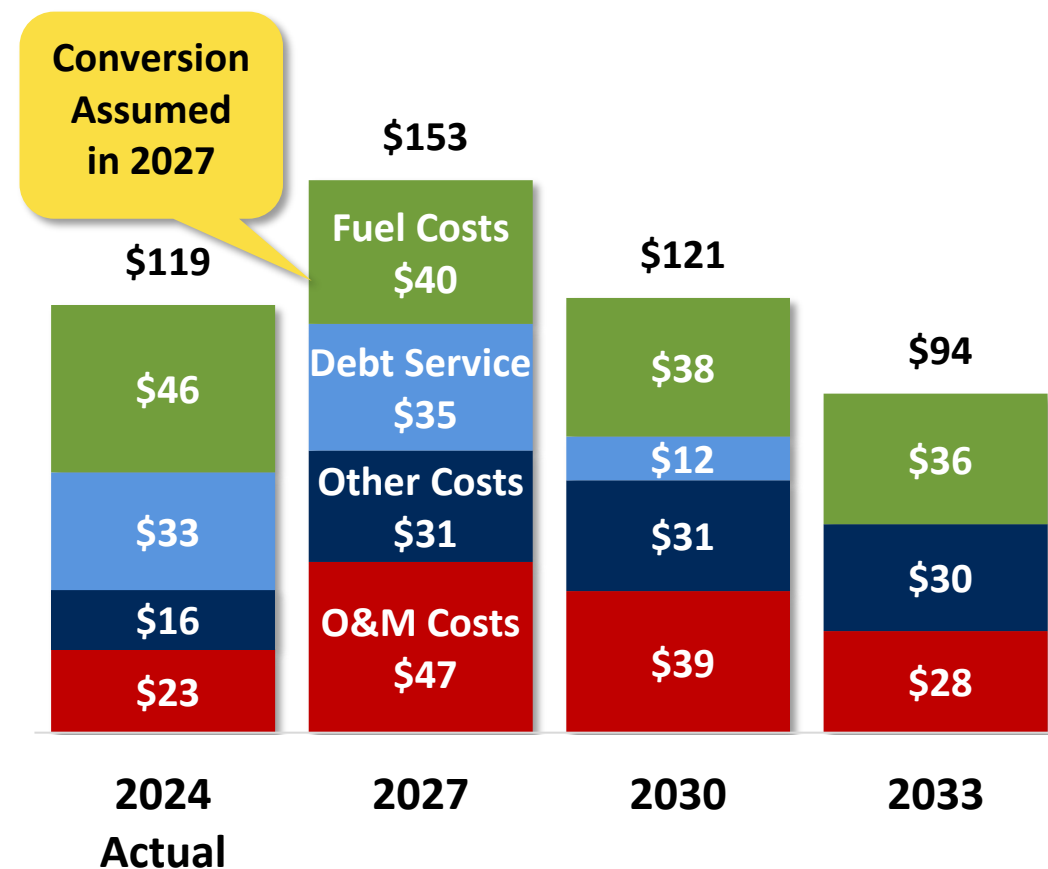


- OUC has committed to shut down Stanton 1 no later than end of 2025
- Working with OUC to minimize post-shutdown costs
- Some costs ongoing, including pond and landfill maintenance
- Building reserves in Stanton & Tri-City Projects to avoid billing participants for post-retirement costs

Stanton II Remains Highest Cost Project

Scheduling Drives \$/MWh Costs Higher, ~\$60M Debt Remains

Projected Stanton II Project Participant Costs (\$/MWh)

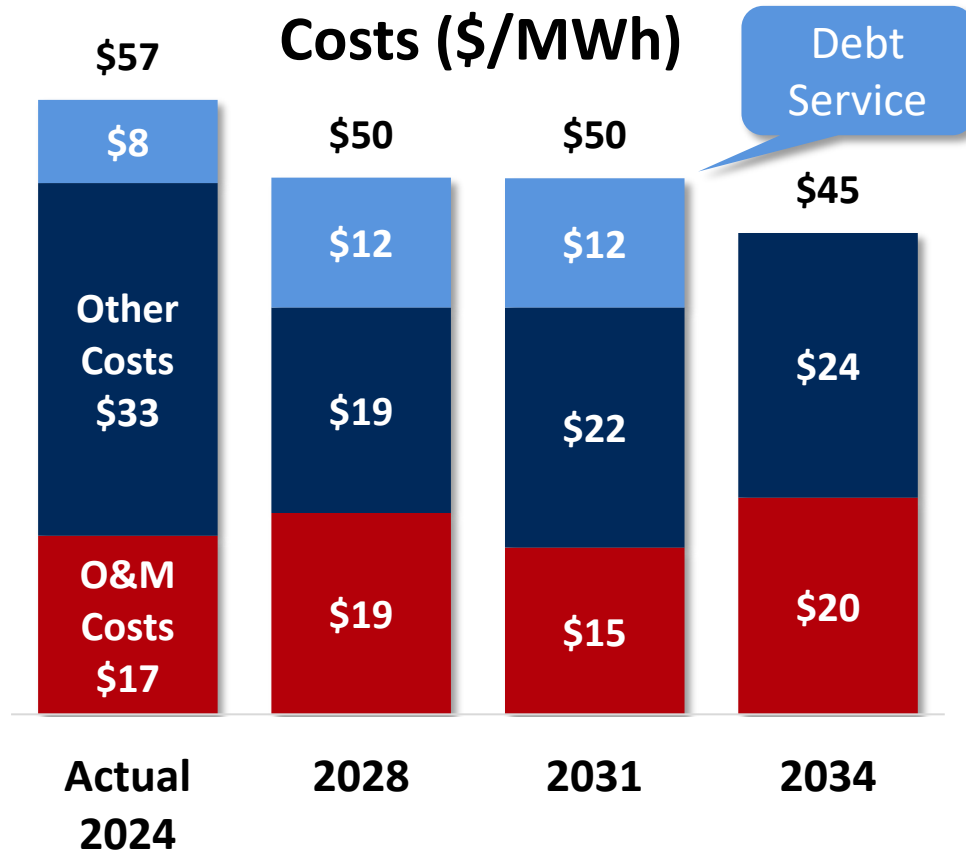


- OUC announced plan remains conversion to gas no later than 2027, but currently performing new IRP
- Working to implement scheduling rights to reduce exposure to high-cost coal energy
- Continuing to work towards limiting FMPA cost exposure to Stanton 2
- 2027 is current final debt year for Stanton II; \$50M existing debt, assuming \$10M conversion debt

St. Lucie Costs Expected to Remain Stable

Extending Debt Life Allowed For Lower Participant Costs

Projected St. Lucie Project Participant Costs (\$/MWh)



- St. Lucie nuclear facility is cost competitive with no carbon emissions
- Debt extension to 2031 facilitated rate decrease to ~\$50/MWh
- FPL has applied for 20-year license extension to operate until 2063
- Future capital needs to accommodate life extension still unknown
- \$48M existing debt remaining

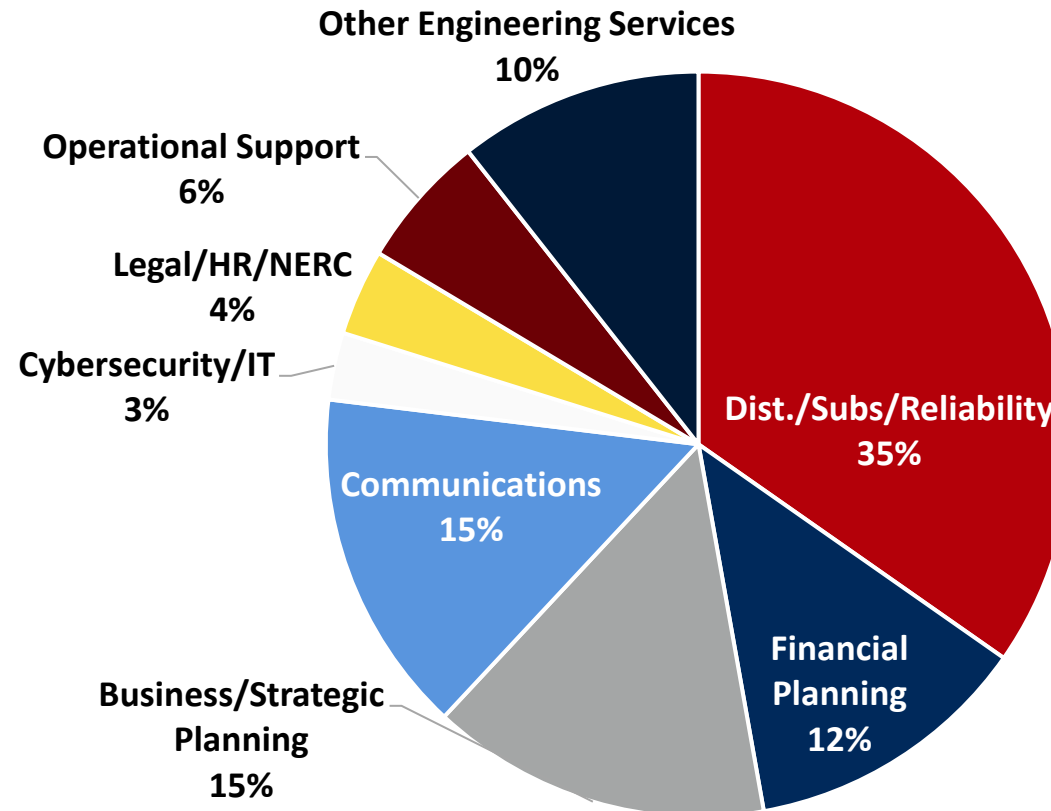


Member Services - Rates Competitive – Enhance Distribution Reliability and Other Services

Member Services Now Intrinsic to Entire Agency

5 Years of Project Data Reveals Activity Across All Key Areas

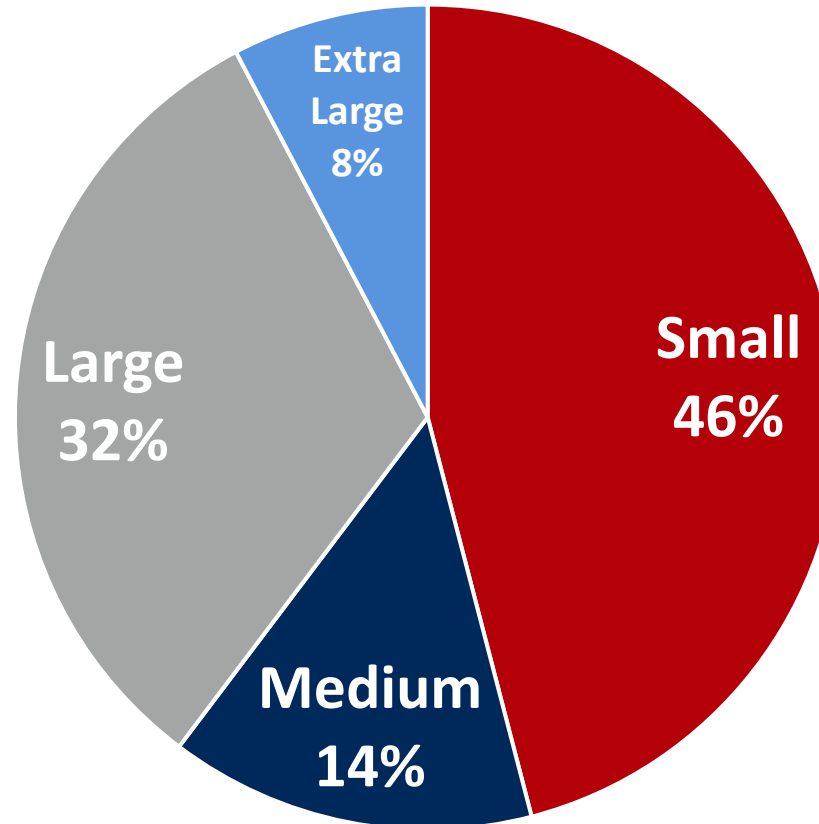
Active and Resolved Cases By Subject Area (2020 – 2024)



FMPA Services Provided to Members of All Sizes

Services By Utility Size Similar to Member Mix

Active and Resolved Cases by Member Size (2020-2024)



FMPA Service Satisfaction Very High

Services/Programs From Across The Organization Valued

Service Offering	Survey Size	“Excellent” or “Good”
Conservation Fund	25	100%
Legal Support	31	100%
Accounting, Finance, Pooled Loan	20	100%
Lineworker Safety Program	40	97.5%
Joint Procurement	38	97.4%
Peer Review	36	97.2%
Master Services Agreements	35	97.1%
NERC Compliance	33	97.0%
Energy Policy Advocacy	26	96.2%
Distribution Planning Support	21	95.2%

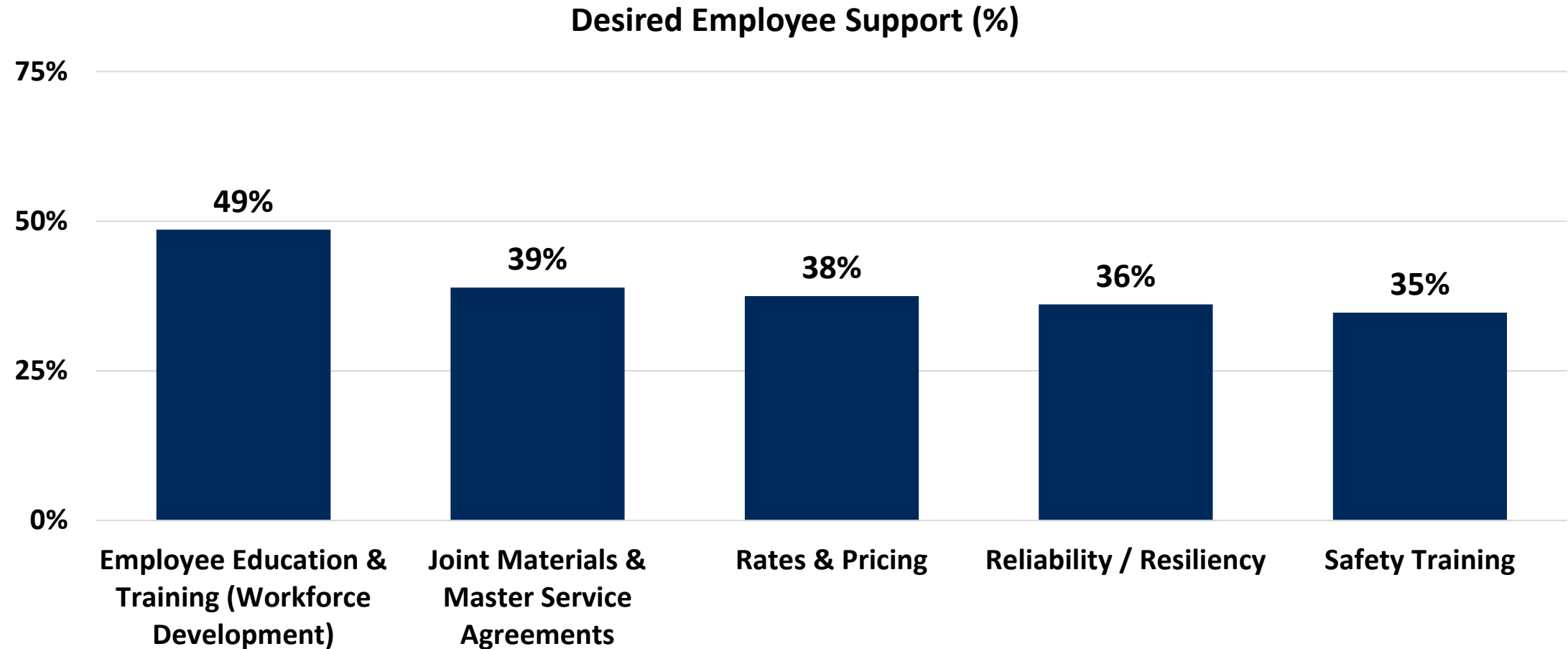
FMPA Service Satisfaction Very High

Services/Programs From Across The Organization Valued

Service Offering	Survey Size	“Excellent” or “Good”
Engineering and Technical Services	41	95.1%
Lineworker and Technical Training	38	94.7%
Communications & Public Relations Support	36	94.4%
Supervisor and Other Soft Skills Training	44	93.2%
Reliability Support & Tracking	40	92.5%
HR Support & Salary Surveys	26	92.3%
Substation Asset Management	21	90.5%
Rates and Revenue Sufficiency Support	20	90.0%
Cybersecurity & IT Assistance	20	90.0%
System Mapping Support	14	85.7%

Members Enjoy Joint Training, Desire Employee Support

Joint Materials & Master Services Agreements Avoid Long City Procurement



We Want Your Feedback

Are there any strategic service areas missing from FMMPA's Member Service offerings?

Please provide your feedback in the poll.



Conclusions



In Good Position in Near Term

Work Ahead for Mid and Long Term Success

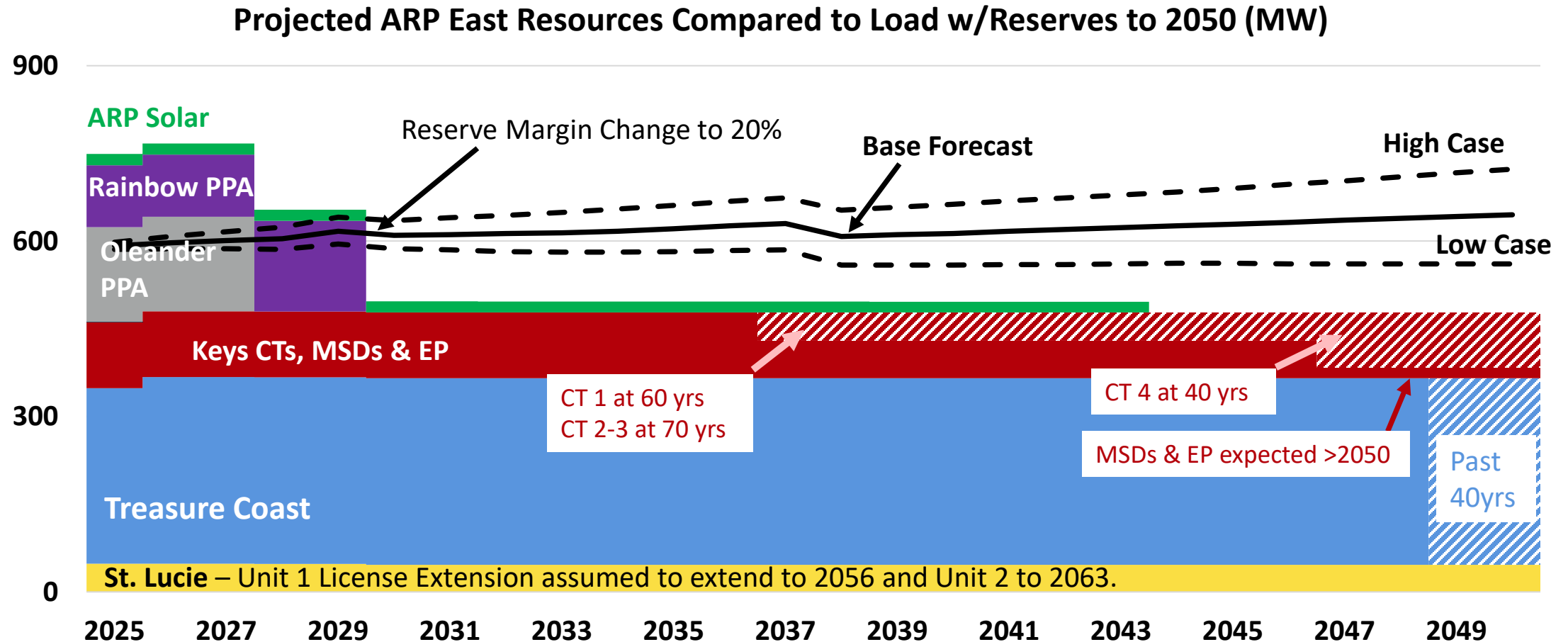
- Long term rates exposed to gas prices, but price stability program reduces mid-term risk – more exposed to gas vs. FL IOUs long-term
- Diversify from gas and solar with nuclear – dedicate more human and financial capital towards supporting nuclear expansion?
- Continued exploration of much larger pool and imbalance markets to offset cost increases from integration of solar and bring scale to operations
- ARP capacity needs through ~2035 resolved; ability to optimize capacity position with member sales and mid-term opportunities
- 2025 IRP focused on understanding capital needs of existing fleet for life-extension
 - Asset life extensions vs PPA renewals and market opportunities in mid-term
 - Stock Island opportunistic purchase preferred path w/BESS site option maintained
- Human resources focused on significant potential retirements drives proactive succession planning with targeted developed plans & training well ahead of needs



Appendix A – Area Load And Resource Balance and KEYS Resource Plan Backup Materials

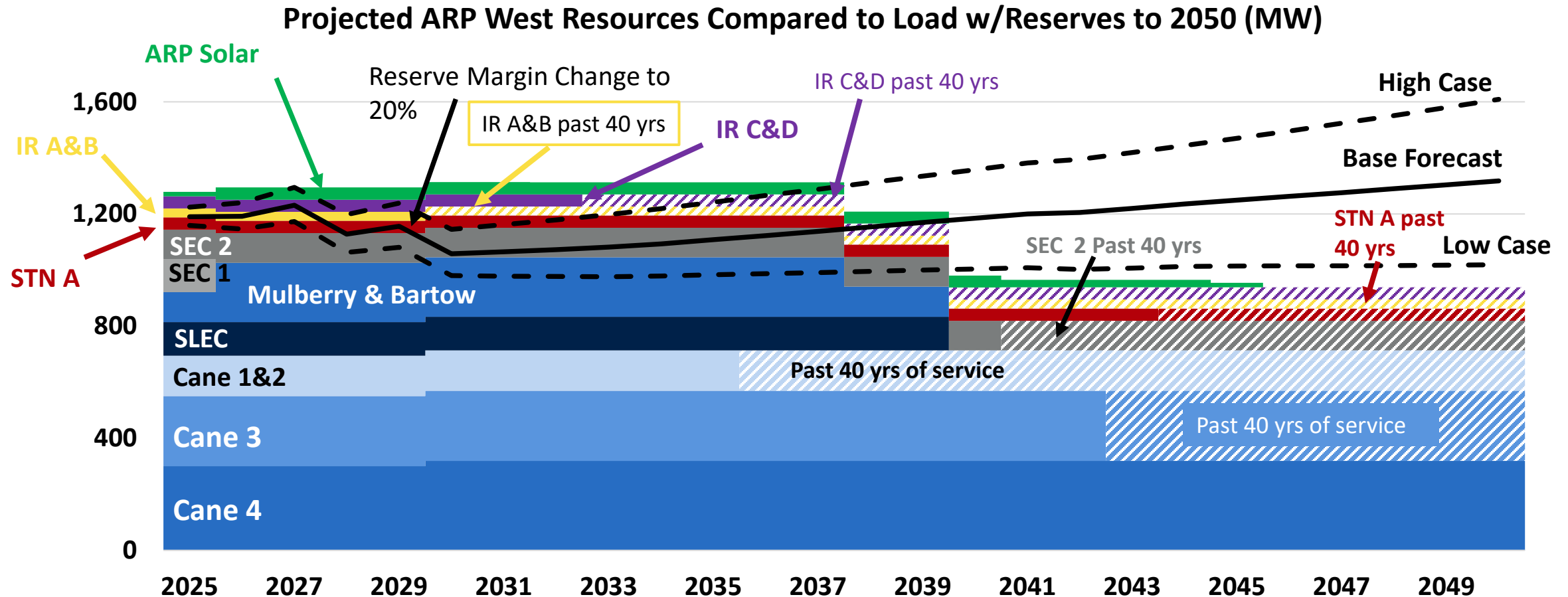
ARP East Projected Position through 2050

Second Half of Period Baseload CC and Keys CT Near EOL



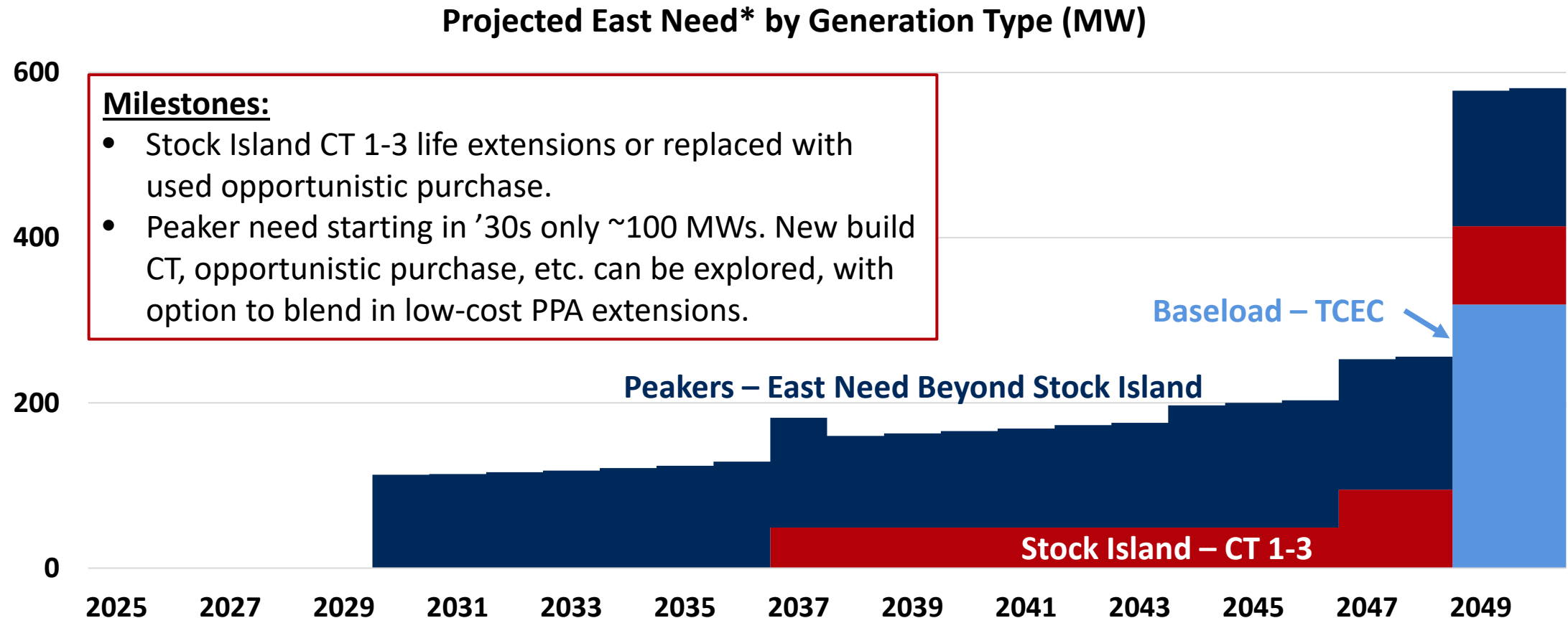
ARP West Projected Position through 2050

Peakers Near EOL Sooner Than Baseload CCs



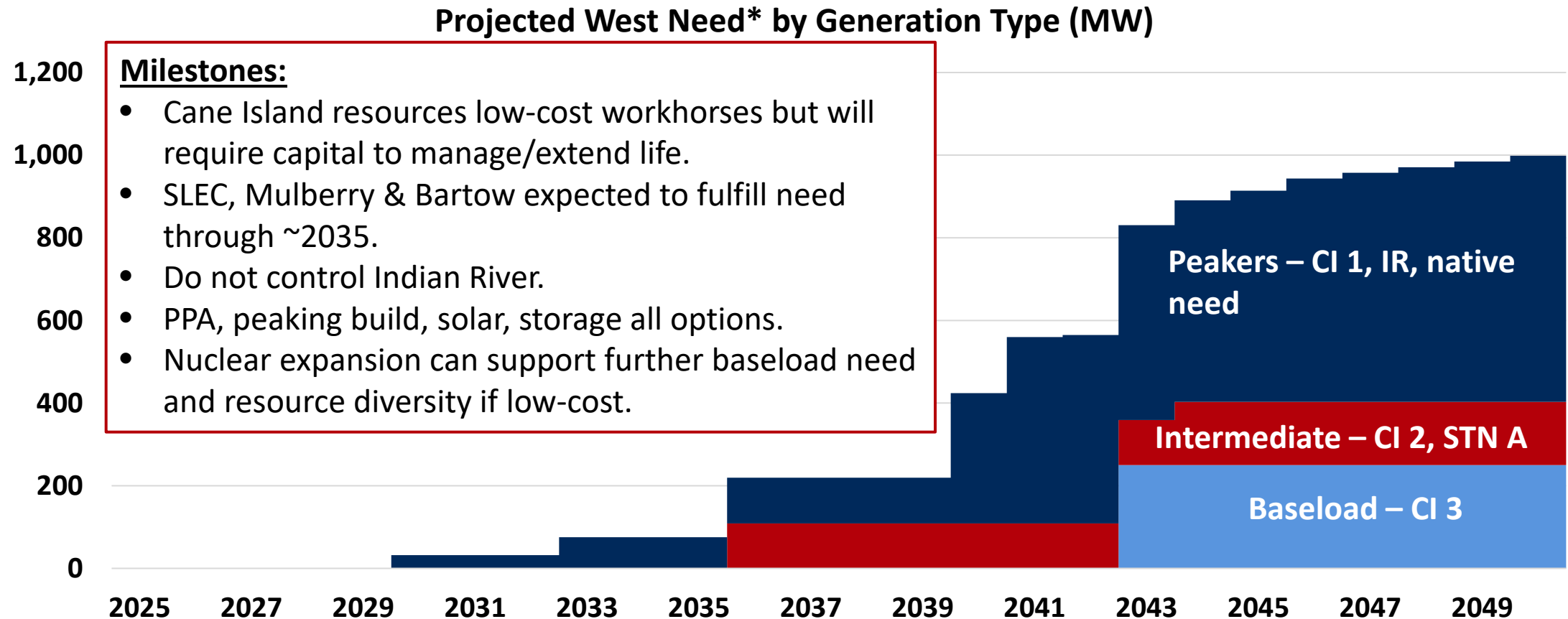
East Needs Driven by Peaker PPA Expirations

Capacity Needed with Units Retiring at EOL and PPA Expirations



West Needs Driven by EOL and Load Growth

Capacity Needed with Units Retiring at EOL and PPA Expirations



Replicable Modeling Framework Built for KEYS Plan

Load, Resource, and Financial Parameters Fully Integrated

KEYS' load paired with FKEC load south of Tavernier to estimate 20-year hourly demand for local generation inclusive of appropriate loss adjustments. Each growth case and/or investment alters projected local MWhs.

Hourly Line 5
Trans Mod

New Build
and Refurb
Capital/O&M

FMPA Generation team and vendor estimates for new builds, casings and life extension costs for existing fleet. 1898 2023 IRP PV/BESS and EIA add estimates.

Block &
Priority
Dispatch Mod

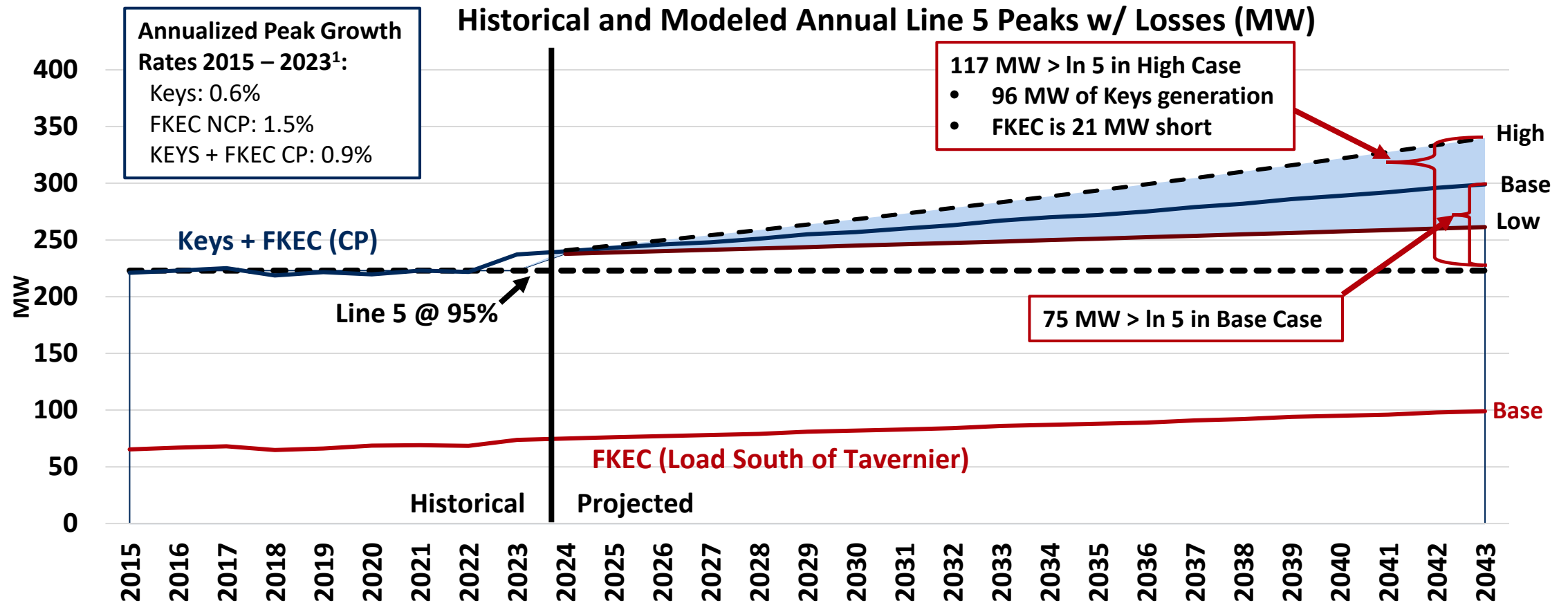
Based on current merit order and/or merit order with new builds in a given case, estimates energy by asset and starts by asset. More efficient new/used units displace older units as appropriate in a given case.

Financial
Case
Mod

Net present value cost over 20 years for entire portfolio, reflective of both meeting 60% on-island requirement and additional investments that apply to a given case.

Post Covid KEYS/FKEC Peak Faster Growth Than Individually

Utilization of SI Generation Dependent on Coincident Peak

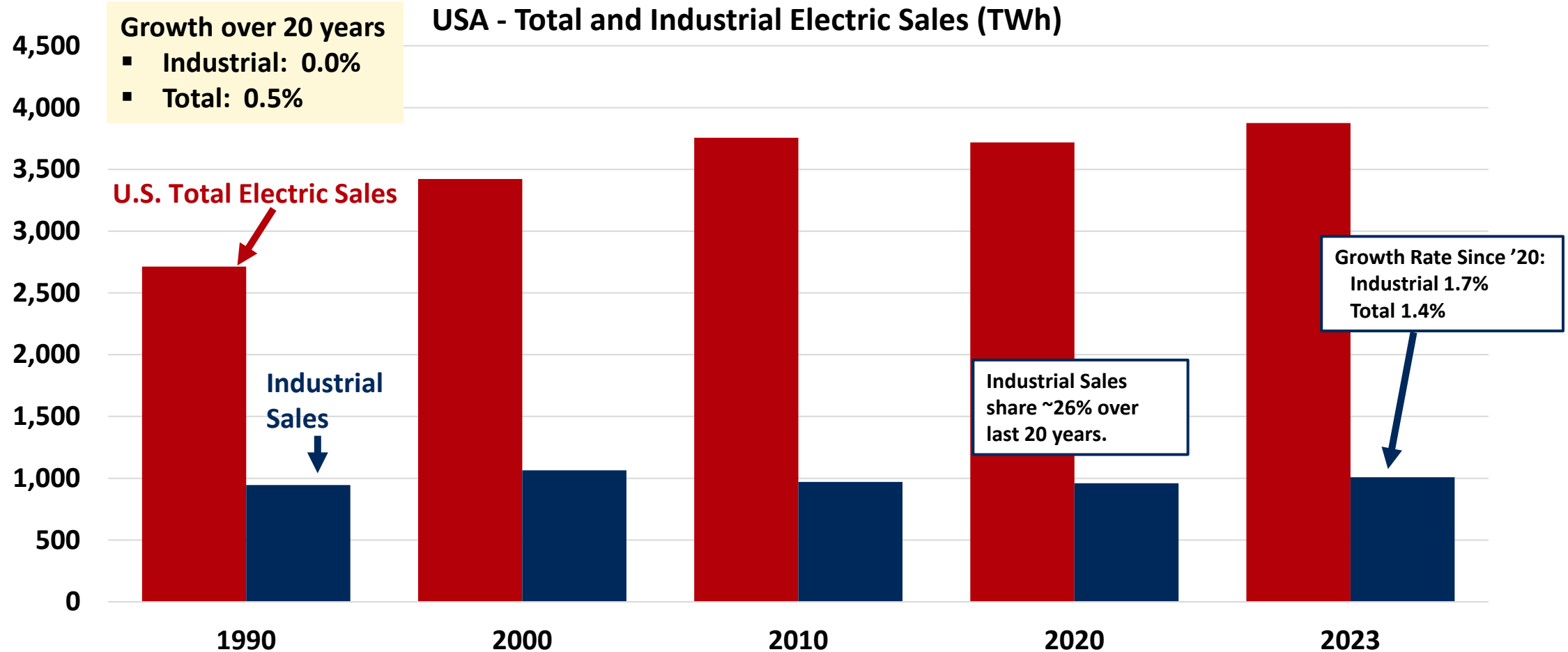




Appendix B - Electric Demand, Supply and Generation Mix Changes and Natural Gas Market Expectations

Total U.S. Electric Sales Have Remained Flat Since '10

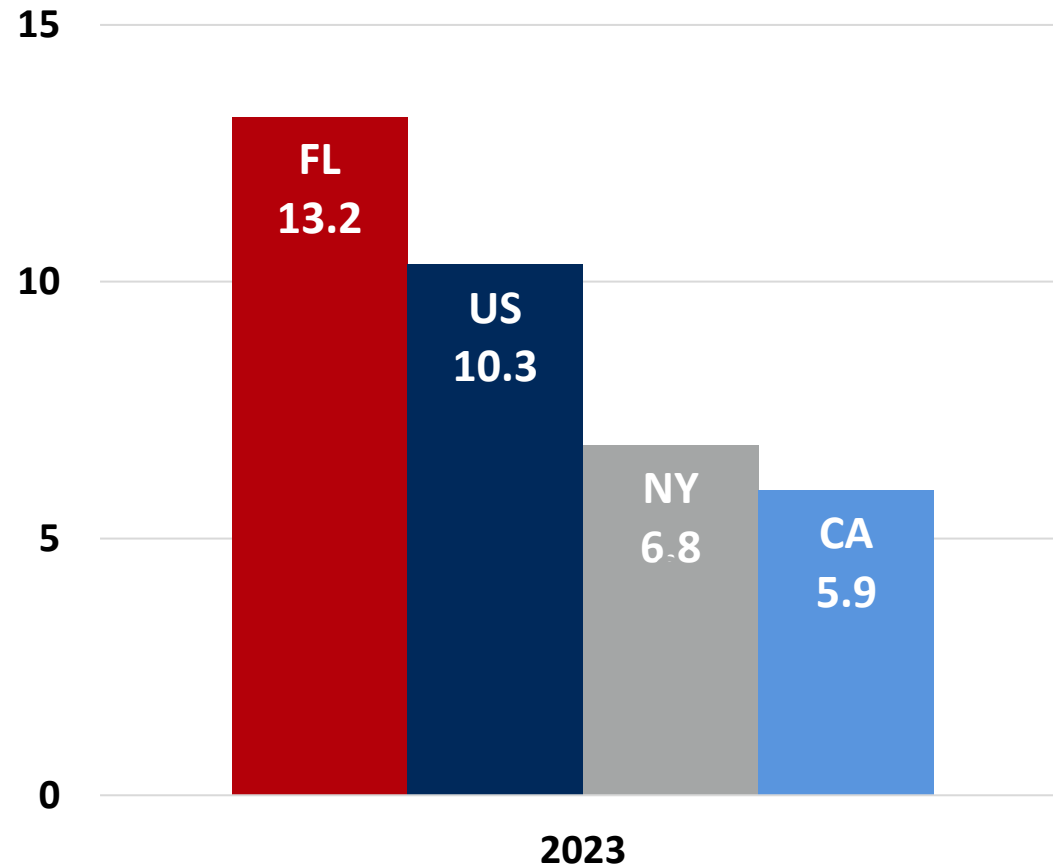
Growth Rate of ~0.5% Per Year Over Last 20 Years



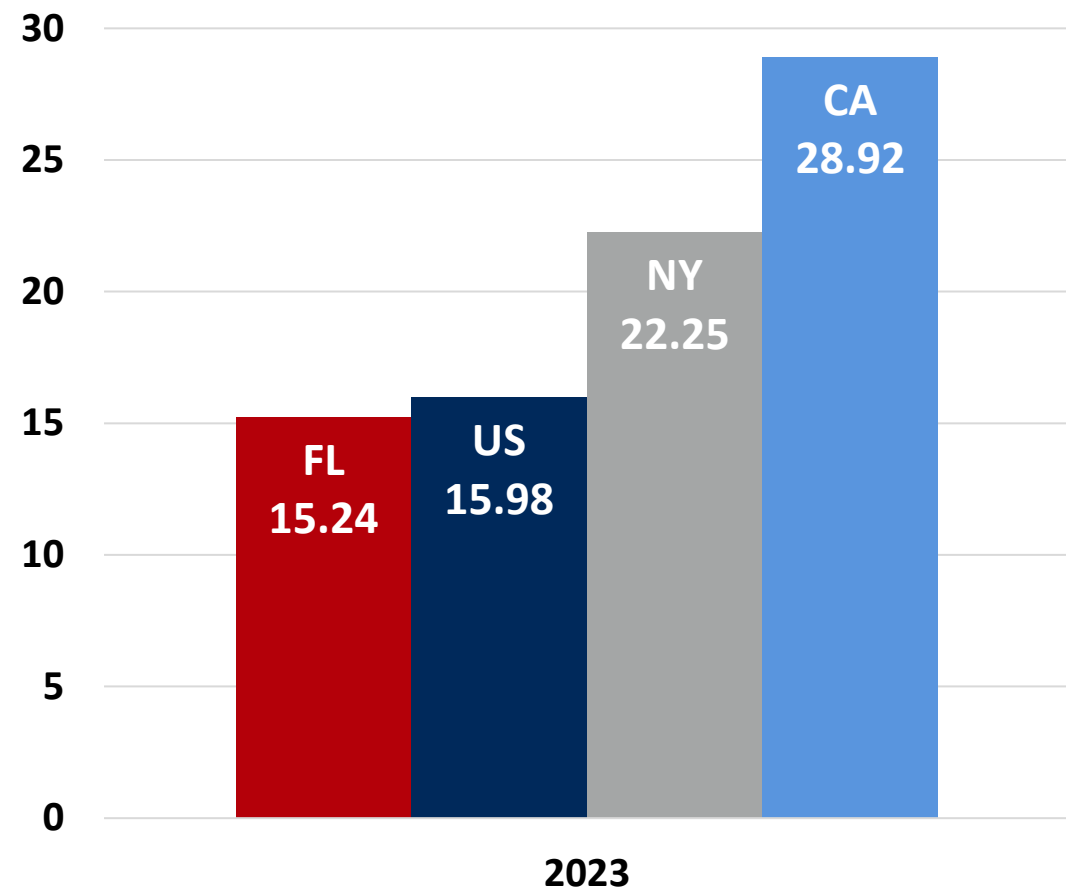
Florida Uses More Electricity Per Customer

Cooling Load Drives Higher Residential Need

Annual Consumption (MWh/Customer)

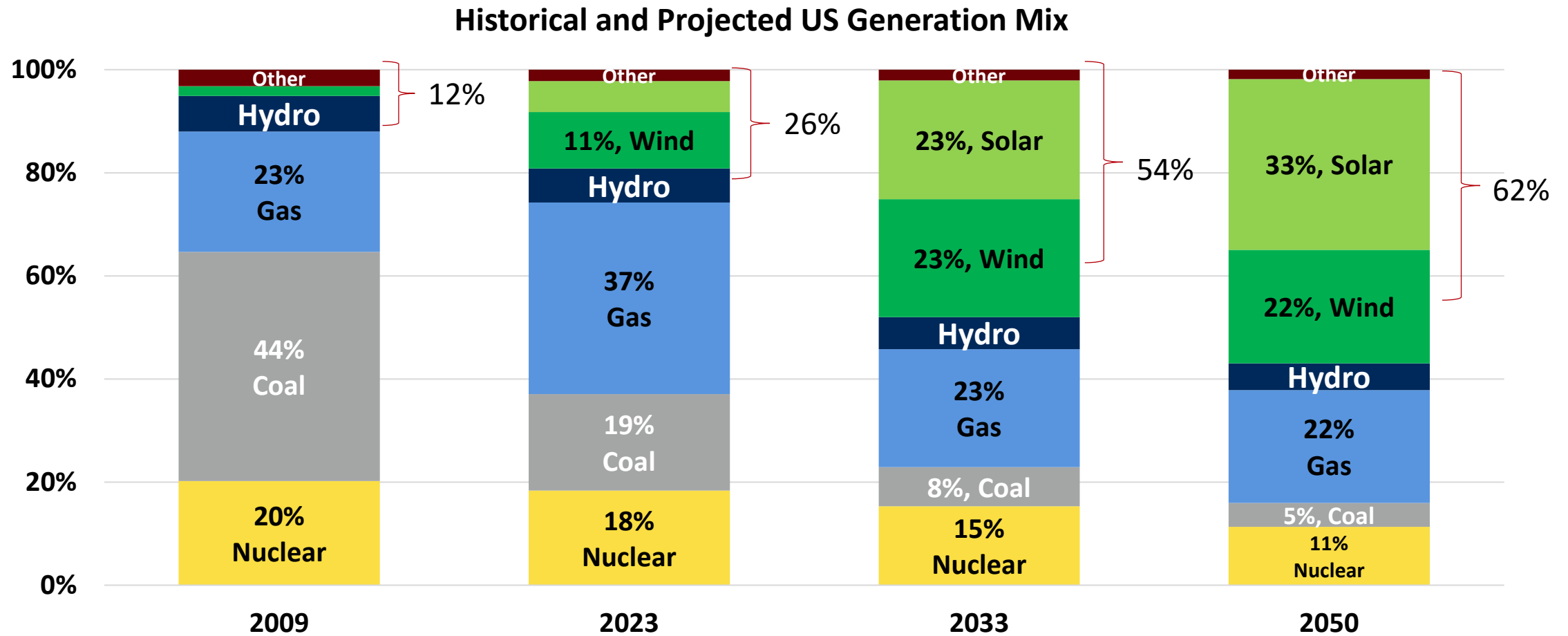


Ave. Rate (Cents/kWh)



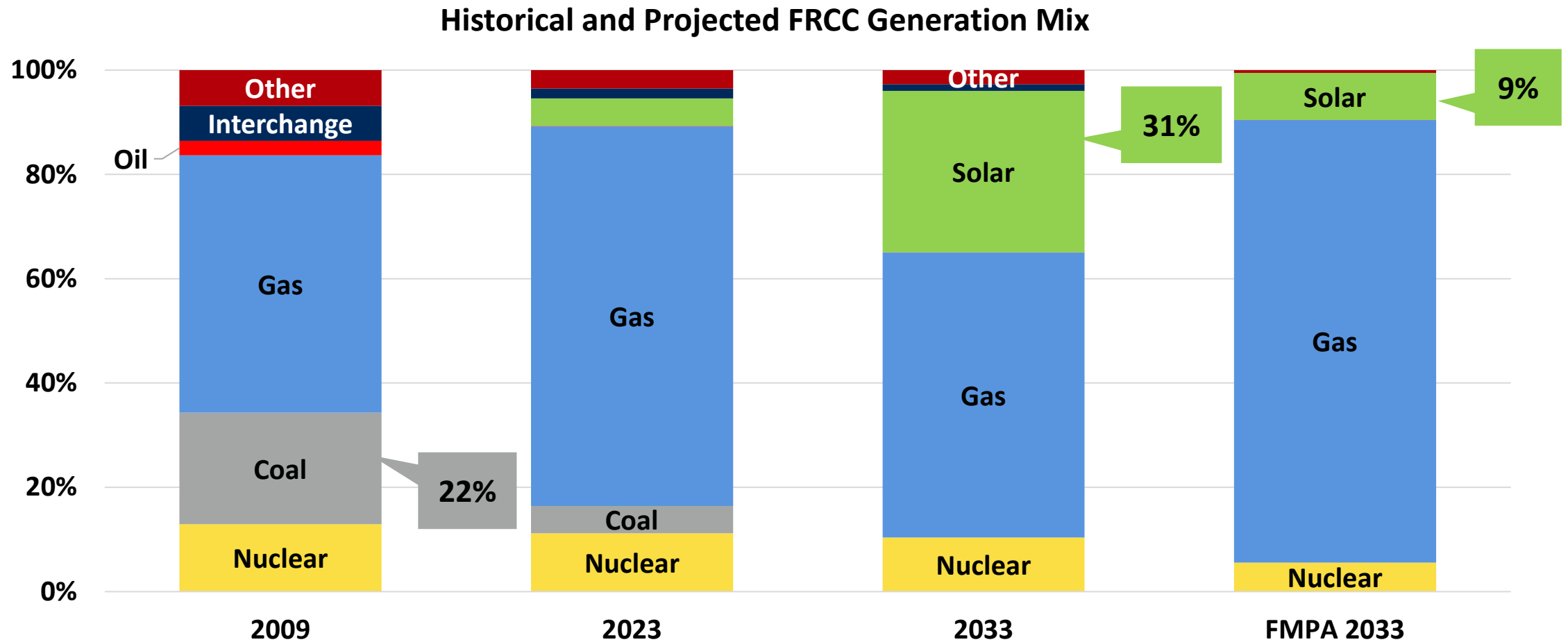
U.S. Far More Balanced Overall than Florida

EIA Views Solar and Wind As Growth Path, Nuclear Flat



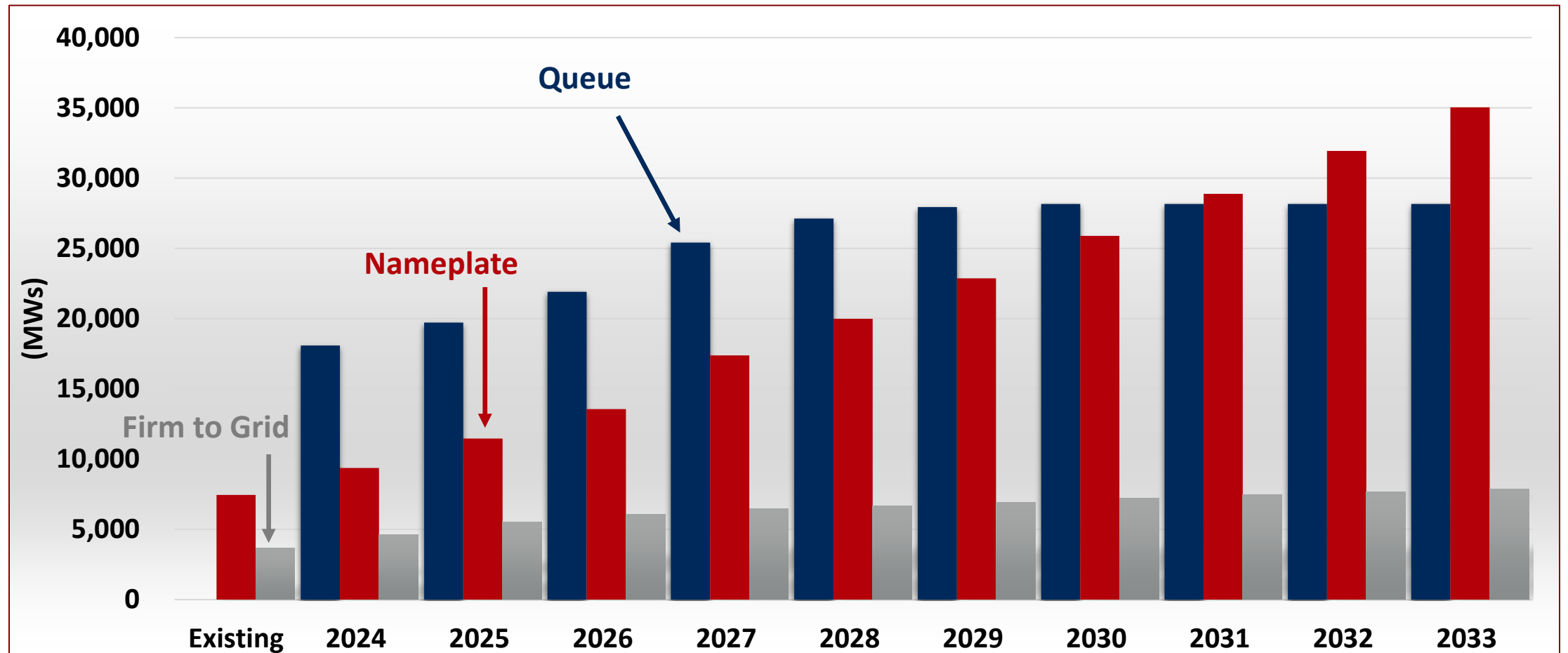
Gas Drives Florida Generation Mix

Coal Expected to Be Displaced by Solar and Gas by 2033¹



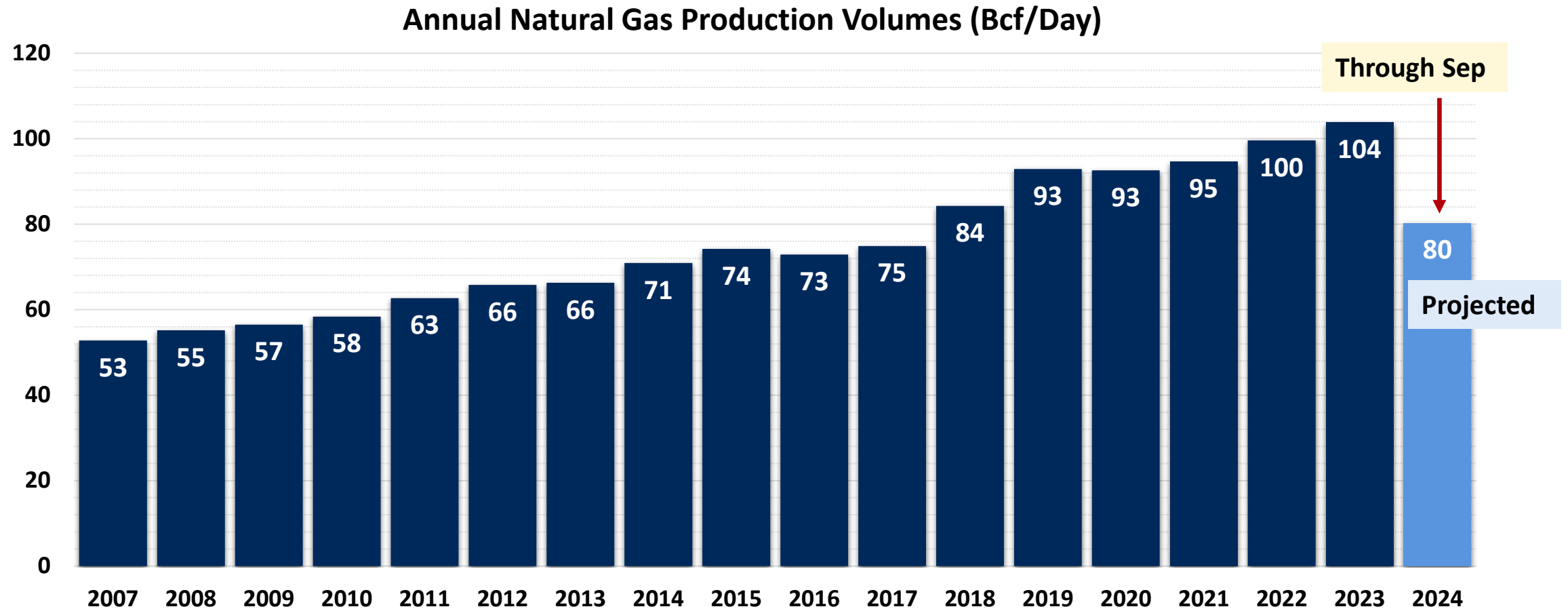
Florida Utility Solar Grows to ~28 GW by 2033

Transmission Queue Far Exceeds Site Plans



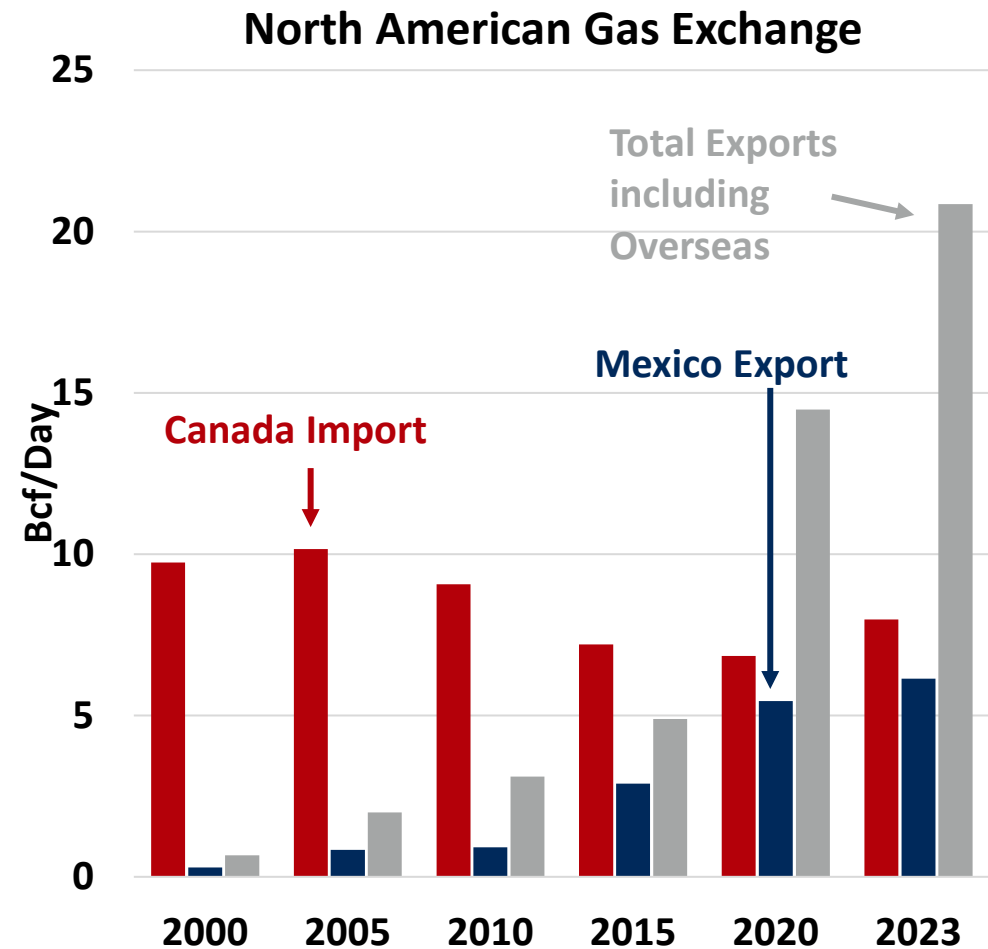
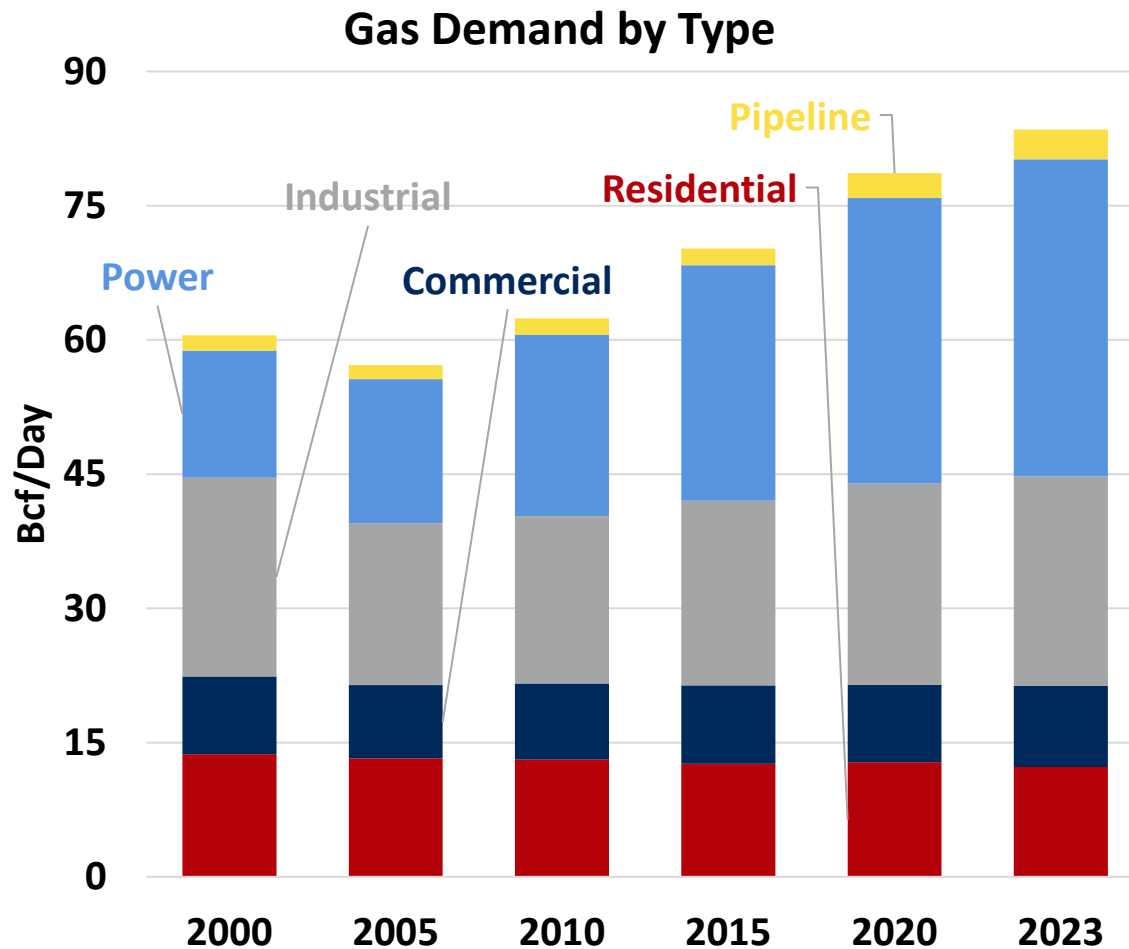
Shale Gas Rapidly Increased Production

Regulation Uncertainty & Recession Risks Could Shape Future



Gas Power Demand & US Exports Both Increasing

Power Demand For Gas Has Outpaced Industrial Demand

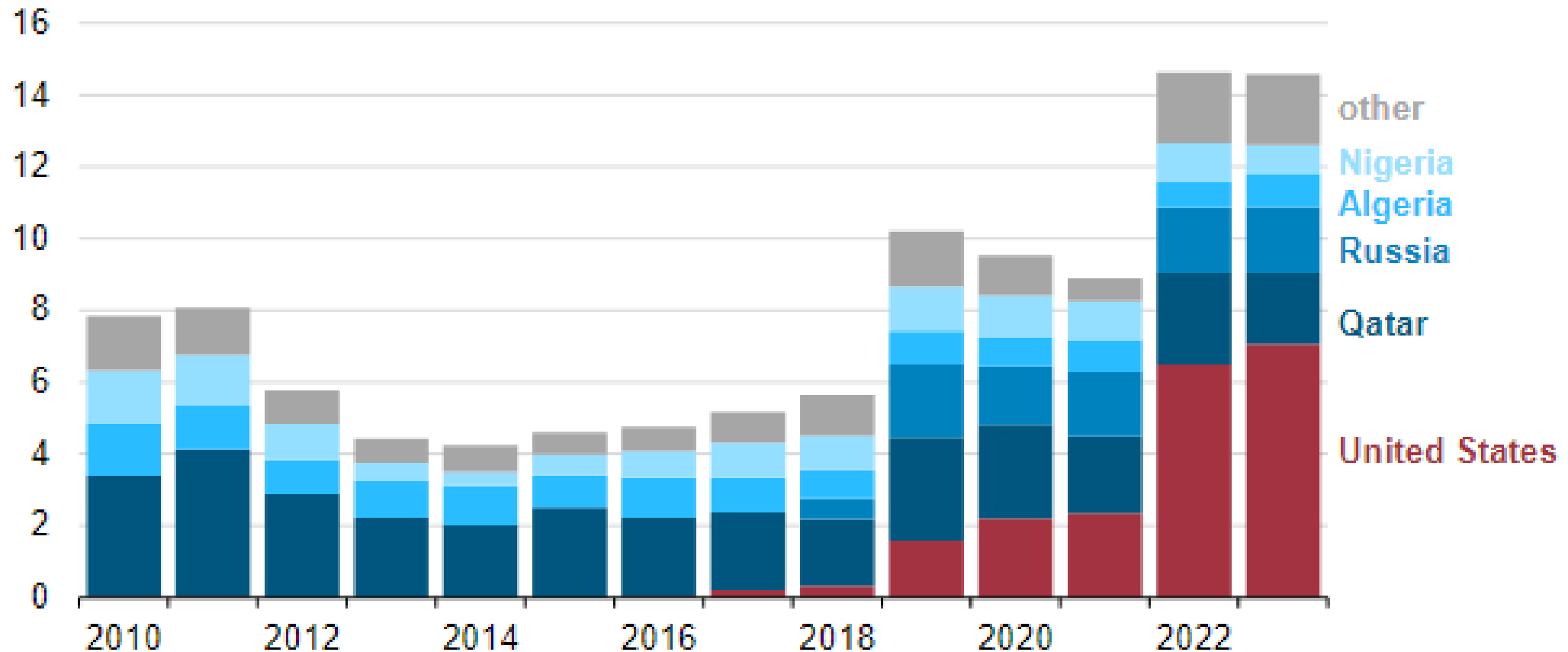


United States LNG Exports Have Grown Significantly

Global Economic Uncertainty & EU Policy Could Alter Imports

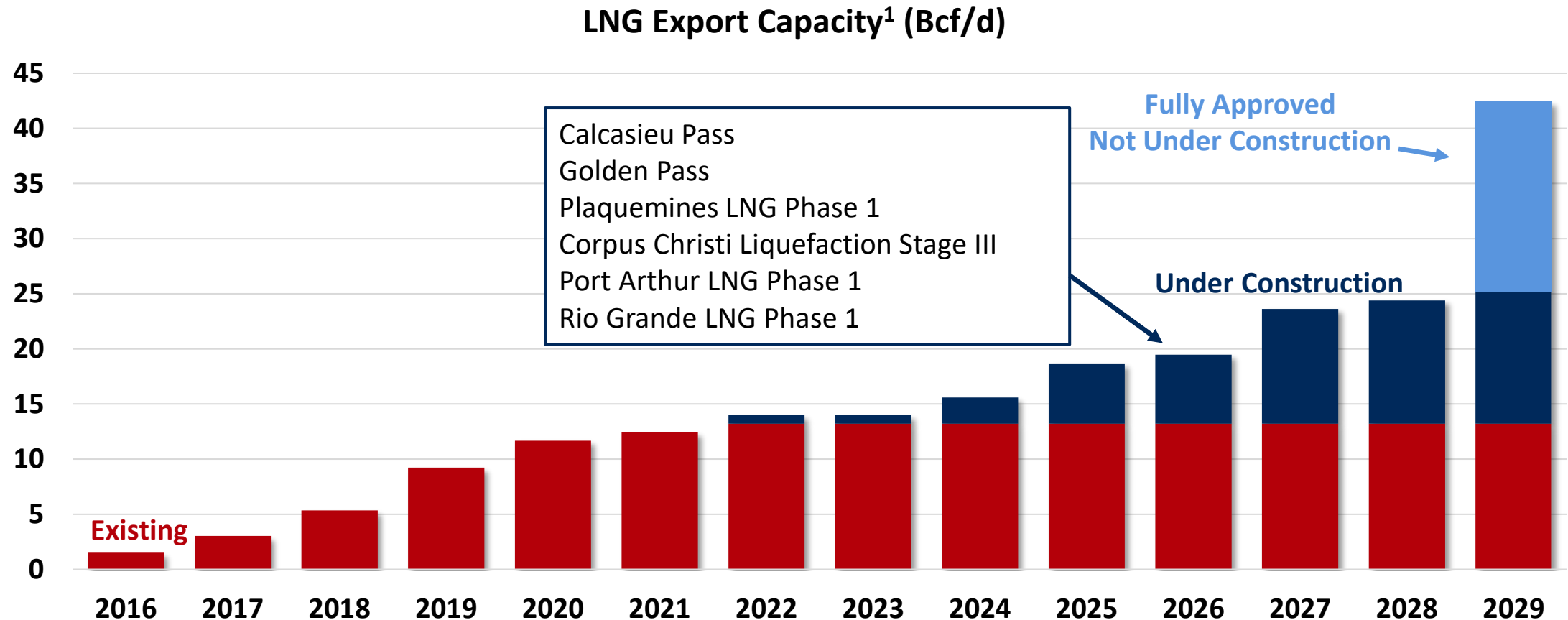
Europe (EU-27 and UK) annual LNG imports by exporting country (2010–2023)

billion cubic feet per day



Approved Natural Gas Exports Set to Double

Higher Margins Abroad Expected to Drive LNG Expansion

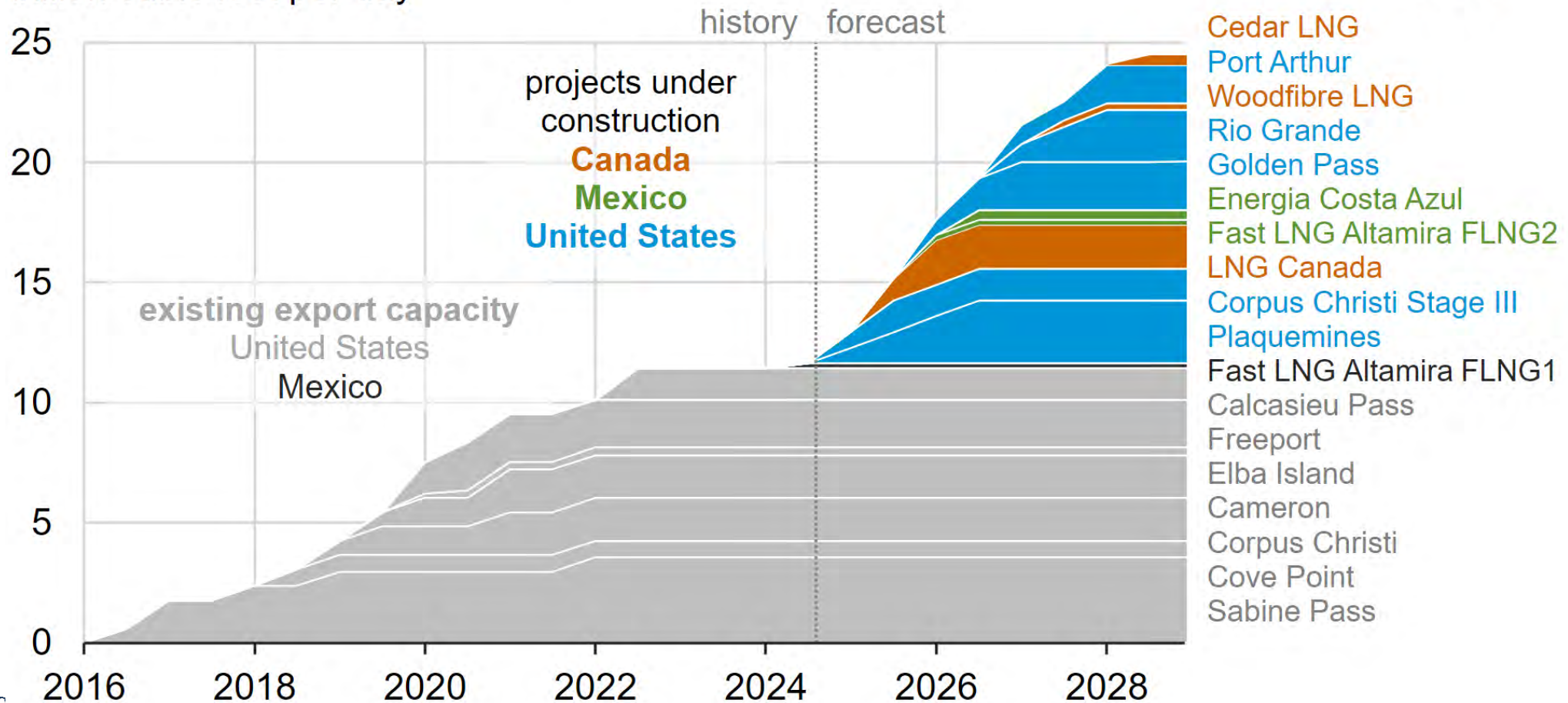


LNG Export Capacity in 2024-28 Projected to Double

Global Economic Uncertainty Clouds Growth Projections

North America liquefied natural gas export capacity by project (2016–2028)

billion cubic feet per day



Natural Gas Proved Reserves Increase ~10% From '21

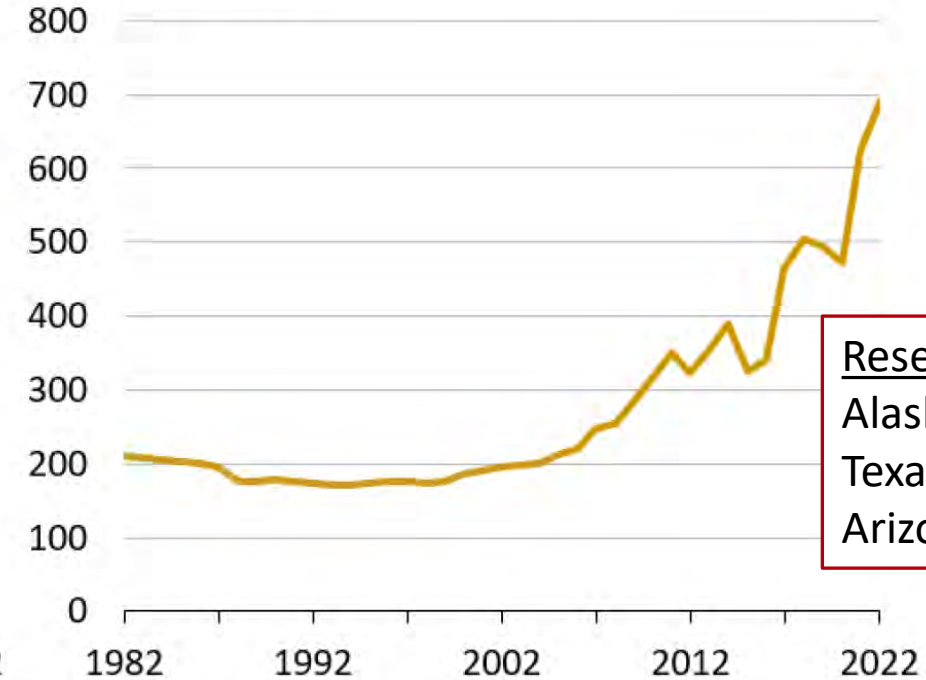
New Record Volumes for Second Year in a Row

Figure 1. U.S. proved reserves, 1982-2022

Crude oil and lease condensate
billion barrels



Natural gas, wet after lease separation
trillion cubic feet

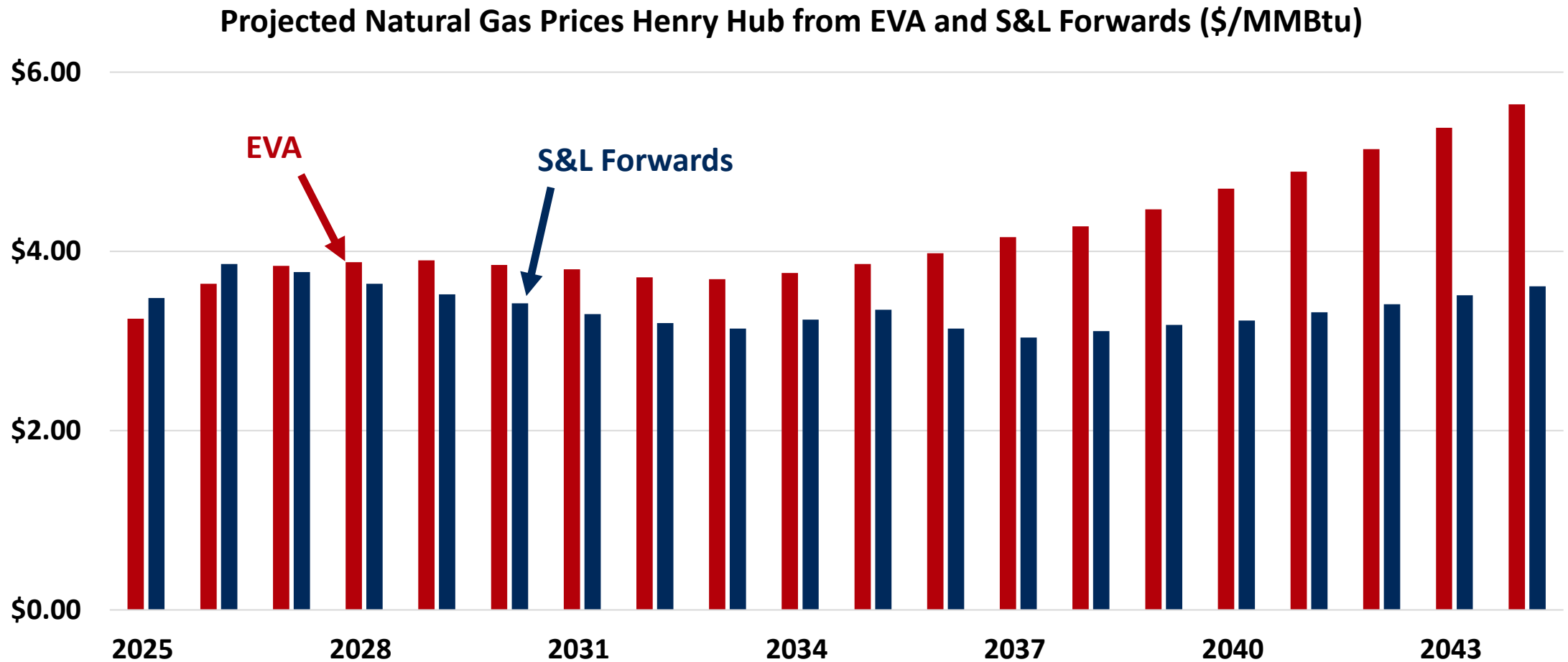


Reserve Increases
Alaska 25%
Texas 14%
Arizona 27%

Note: Proved reserves are operator estimates of the volumes of oil and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

EVA Projects Steady Gas Price Growth

FGT Z3 Basis Has Increased In Recent History

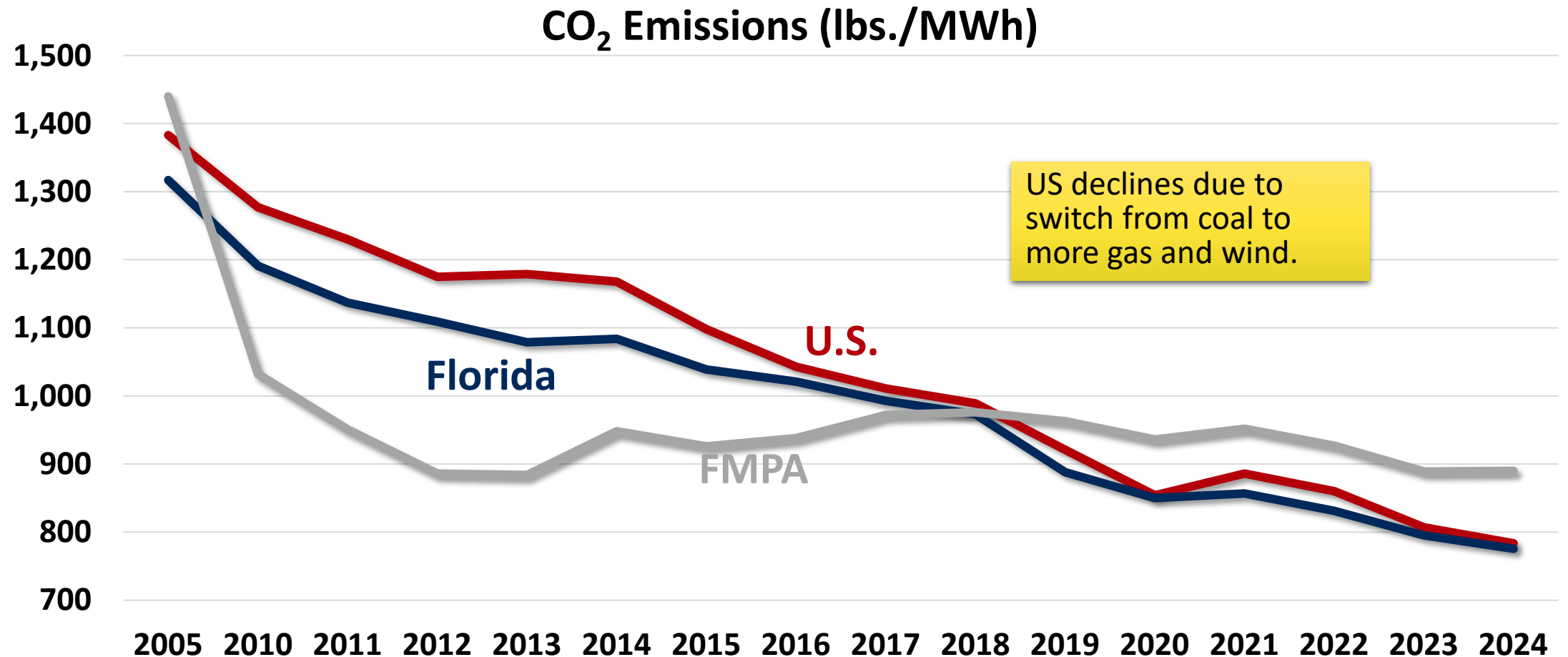




Appendix C – Environmental Responsibility

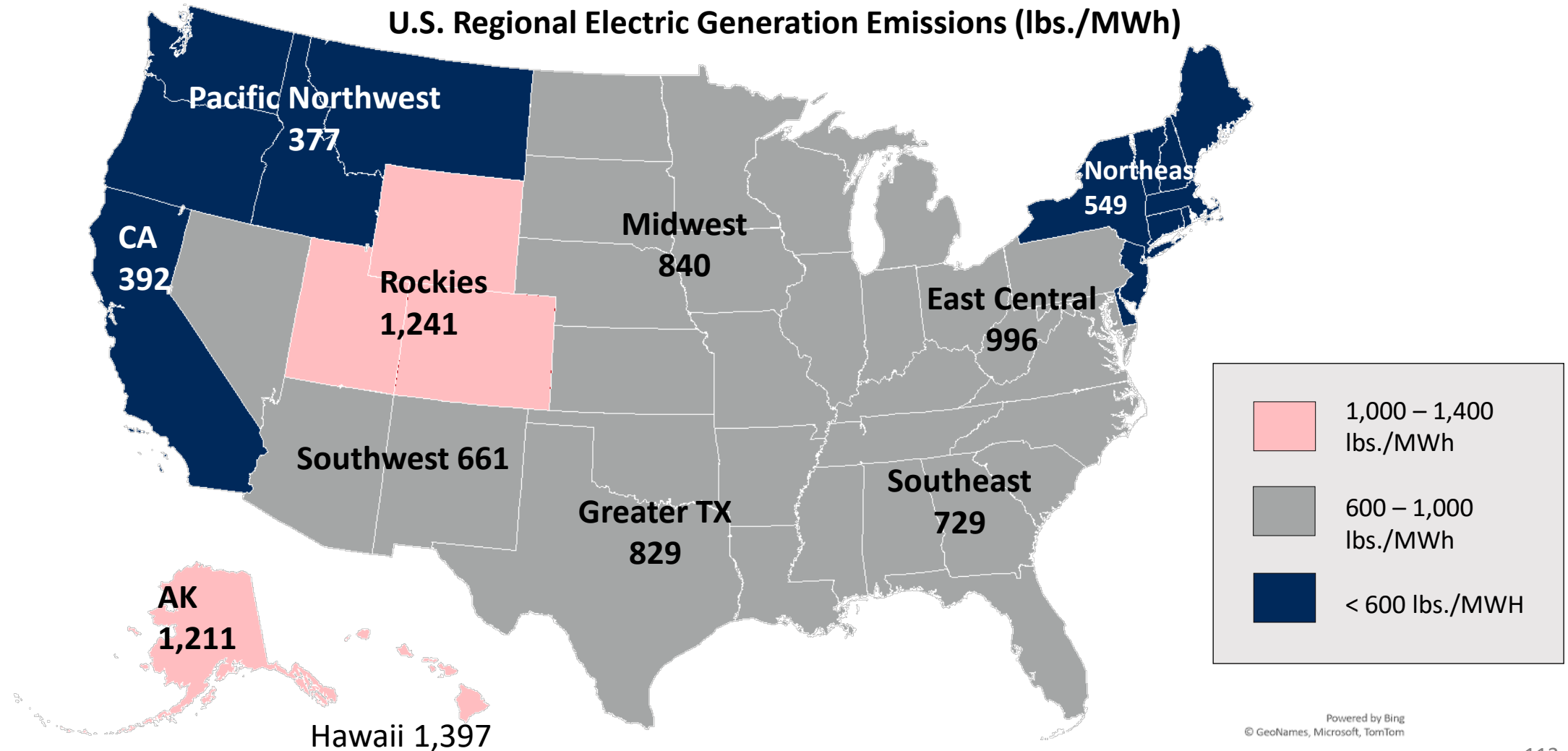
Power Sector CO₂ Declined ~43% Over Last ~20 Years

FL/FMPA Emissions Declined by Switching from Coal/Oil to Gas



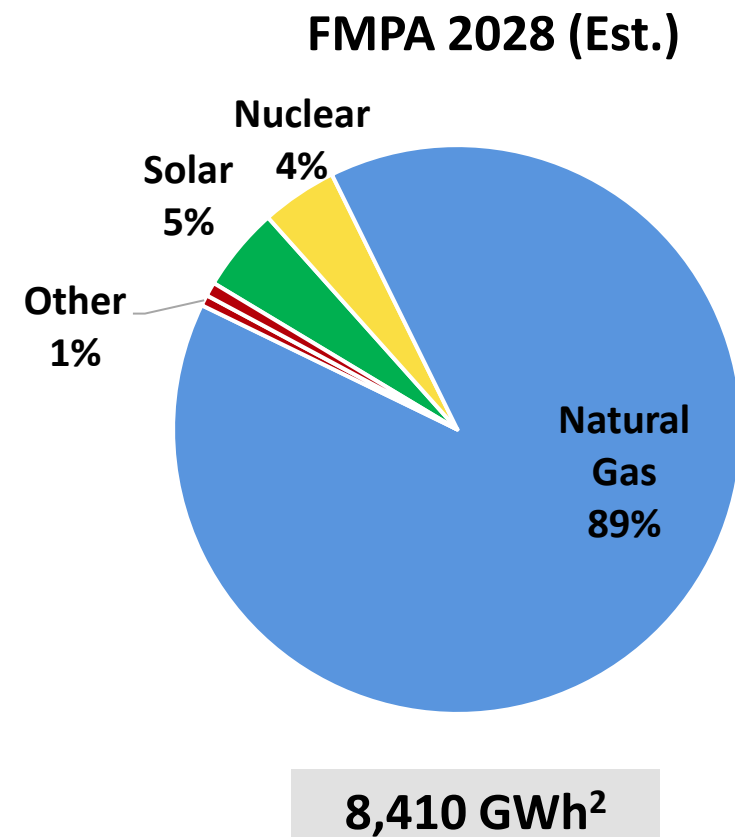
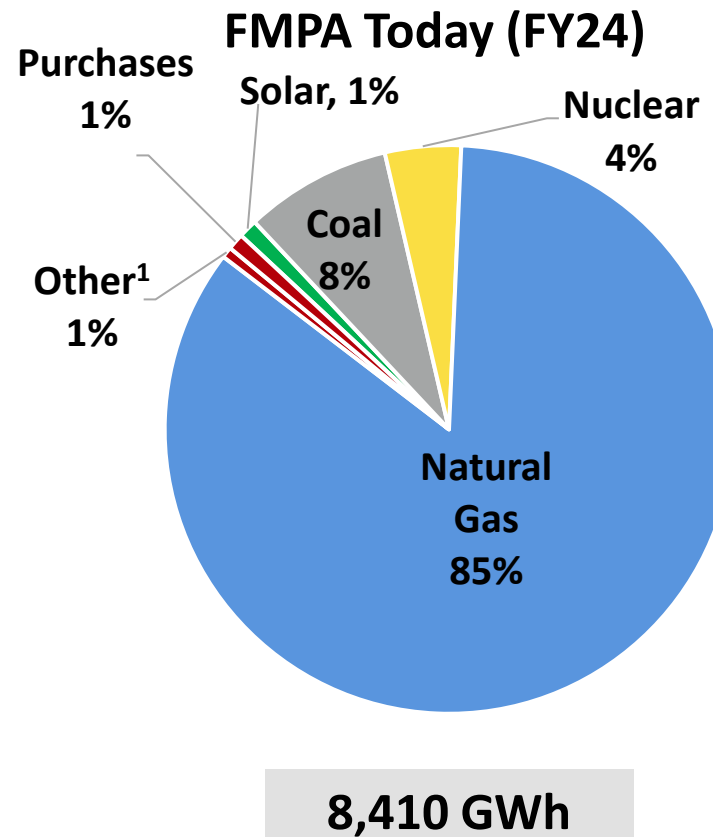
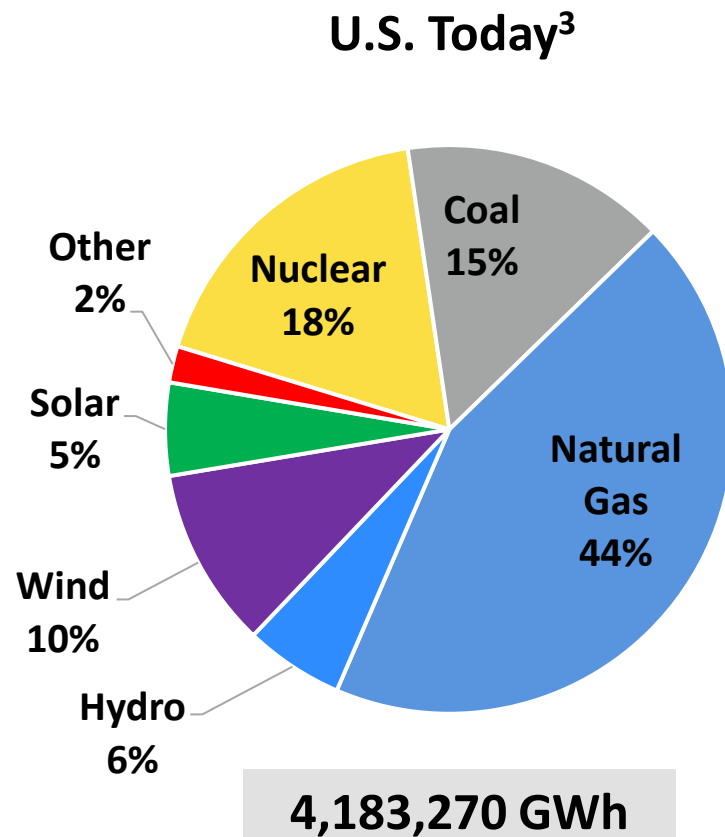
Emissions Relate To Regional Resource Availability

One Size Fits All Approach Tough With Vastly Different Baselines



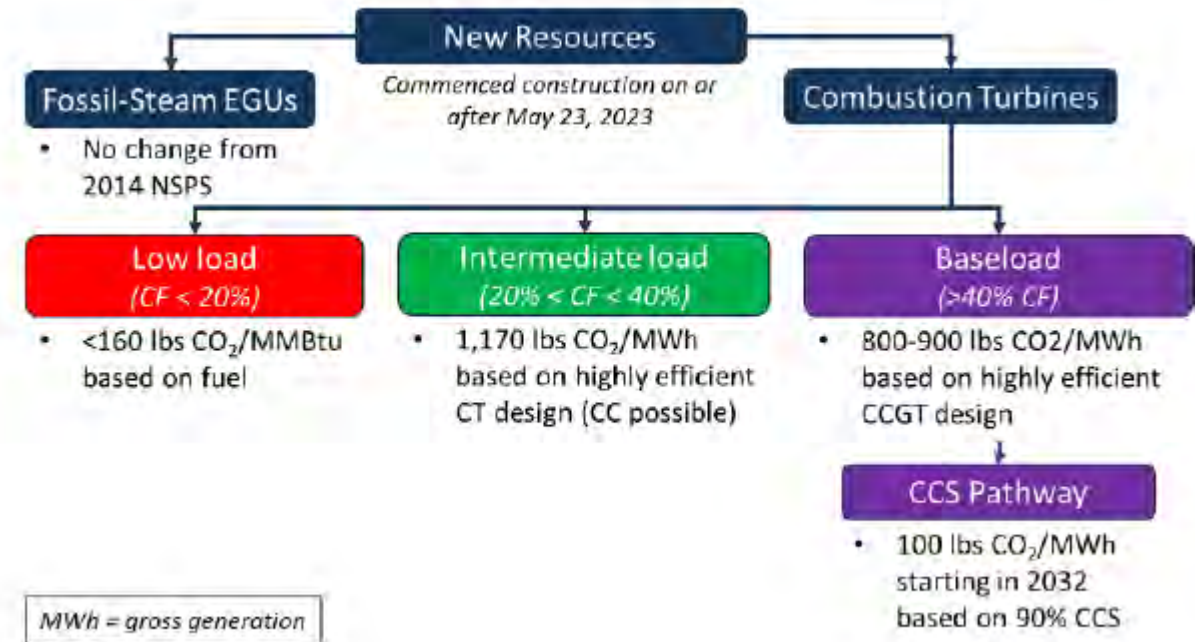
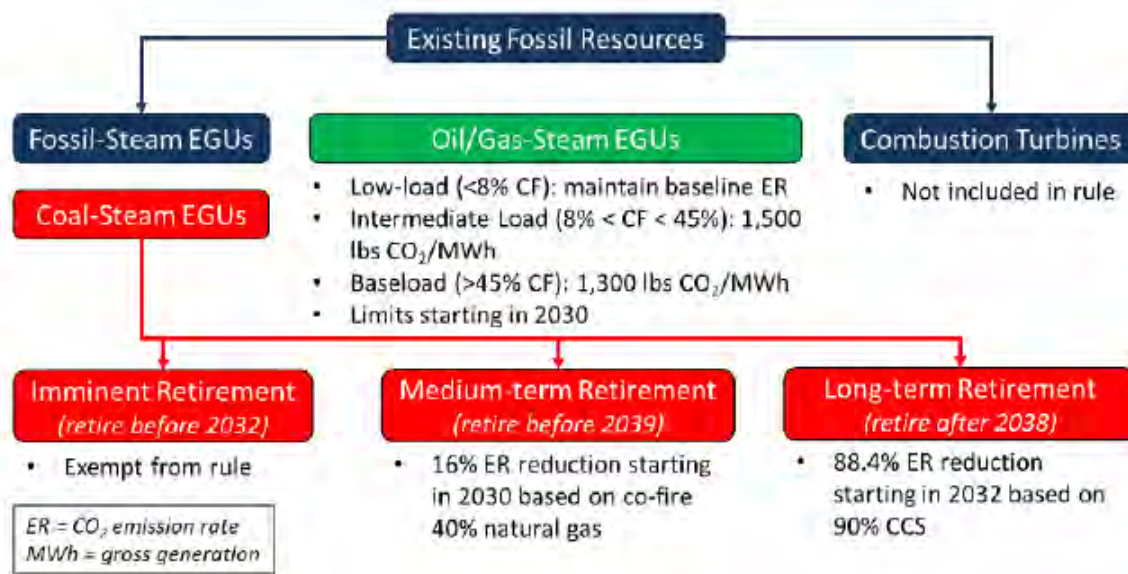
U.S. Energy Mix ~39% CO₂ Free, 15% Coal Remaining

FMPA Growing to 10% CO₂ Free by 2028, No Coal/More Solar



EPA Rule* Spared Existing CTs For Now

Legal Challenges, State Plan, and Fate Remain Uncertain



In October 2024, Supreme Court left EPA rule in place as legal challenges at Federal appeals court continues. State Plans theoretically due June 2026.

*SOURCE: EVA



Strategic Planning Session

