



9b – Debt and Rate Strategy for St. Lucie

Board of Directors

May 20, 2021

St Lucie Project Participants

Participant	% Entitlement
Lake Worth	24.87
Ft. Pierce	15.21
Vero Beach (transferred to ARP)	15.20
New Smyrna Beach	9.88
Kissimmee	9.41
Homestead	8.27
Jacksonville Beach	7.33
Leesburg	2.33
Starke	2.22
Clewiston	2.20
Green Cove Springs	1.76
Alachua	0.43
Moore Haven	0.38
Ft. Meade	0.34
Newberry	0.18

St. Lucie – Extend Debt Life to Reduce Rates

Could Lower \$10+/MWh per Year with 5-Year Debt Extension

- Final payoff of St. Lucie Project debt currently October 1, 2026
- Final debt payment includes \$59M bullet payment on Series 2012A
- Annual contributions being made to General Reserve Fund through project billings to pay significant portion of 2026 debt obligation
- Refinancing and extending the debt five years would allow us to reduce contributions and meaningfully lower project rates beginning Fiscal 2023
- St. Lucie Unit No. 2 licensed, currently, to operate until 2043
- If unit retires prior to end of extended debt life, project should have sufficient reserves after 2026 to be able to pay off remaining debt

Alternatives Summarized

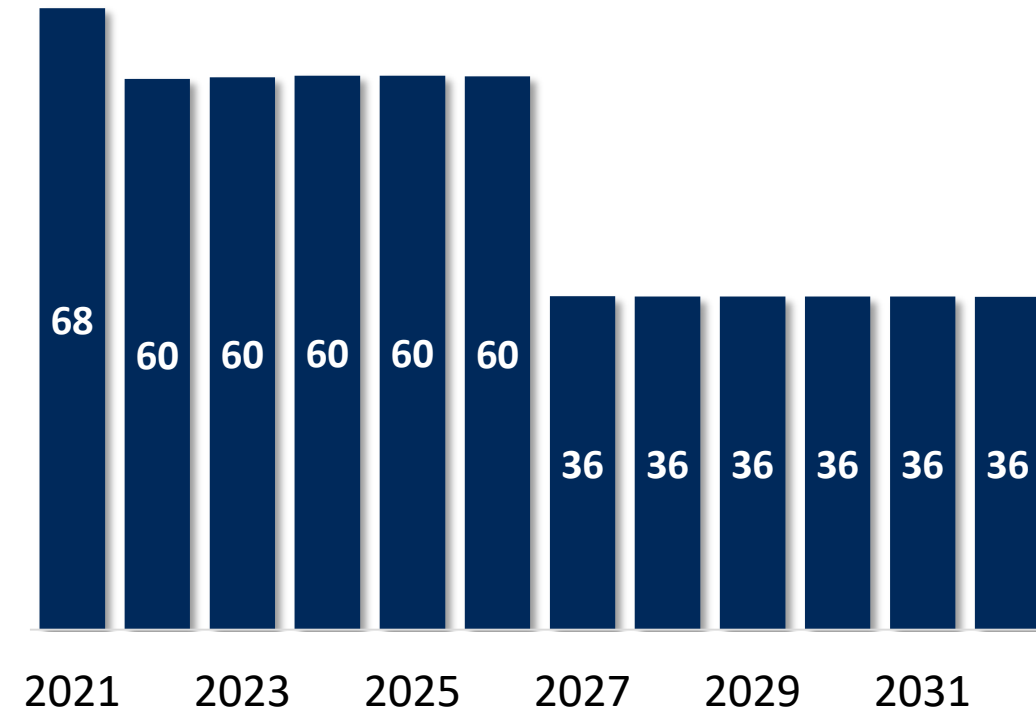
Doing Nothing is Highest Cost Alternative

- Making no change is the highest cost option after 2022
- There are several options that make sense for this project
- Options can manage debt effectively and lower rates to members
- Options contemplated leave \$50M in general reserve
- Borrowing rates are very low, but are expected to rise

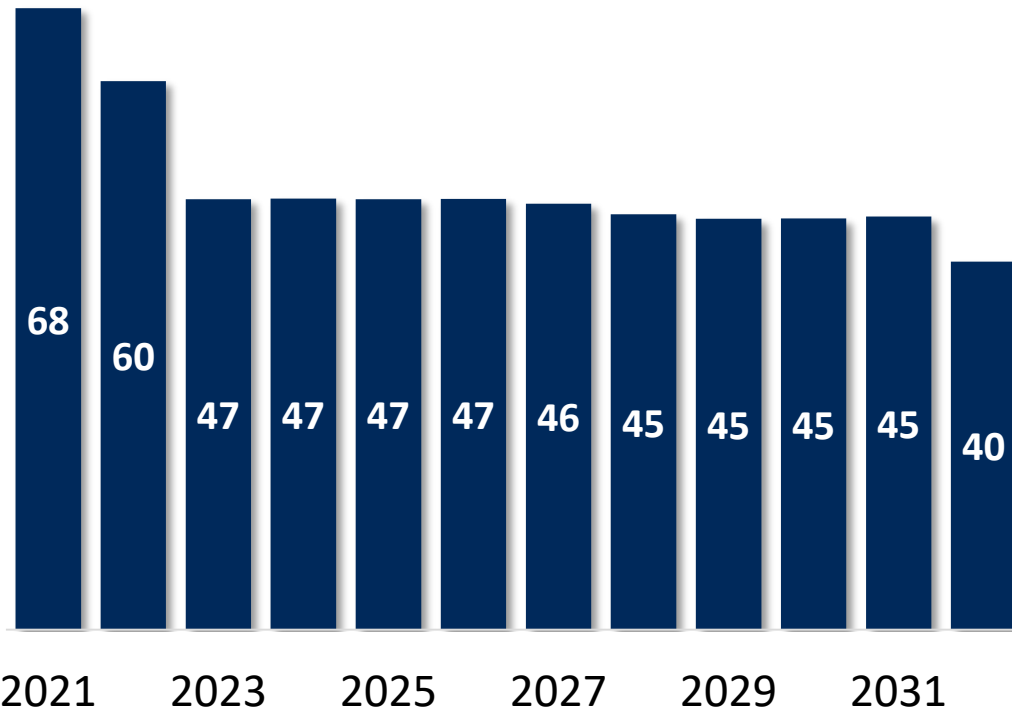
St. Lucie Costs and Rate Impacts

With and Without Debt Extension

**Projected St. Lucie Participant Costs
Without Debt Extension (\$/MWh)**



**Projected St. Lucie Participant Costs
With Debt Extension (\$/MWh)***



Debt Alternatives

Case ^{1,2}	Description	NPV Costs (\$000's)	NPV Costs Above Best Case (\$000's)
Base Case	Keep existing debt	\$94,720	\$11,954
Alternative 1	Refinance 2011B and 2012A Bonds when callable with level debt service through 2026	\$86,496	\$3,730
Alternative 2	Refinance 2011B and 2012A Bonds when callable with level debt service through 2031	\$84,391	\$1,625
Alternative 3	Call a portion of 2012A Bonds using DSRA and GRF money on 10/1/2022; refinance 2011B and remaining 2012A Bonds when callable with level debt service through 2031.	\$83,317	\$551
Alternative 4	Call 2011B Bonds using DSRA and GRF money on 10/1/2021; refinance 2012A Bonds when callable with level debt service through 2031	\$82,766	\$0

1 In all cases, any debt savings achieved during FY 2022 are deposited to the General Reserve Fund. All cases are also set to target a \$50 million balance in the General Reserve Fund once the Bonds are paid off.

2 2.5% rate used for NPV and interest rate on debt.

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**c. Quarterly Human Resources
Update**

**Board of Directors Meeting
May 20, 2021**