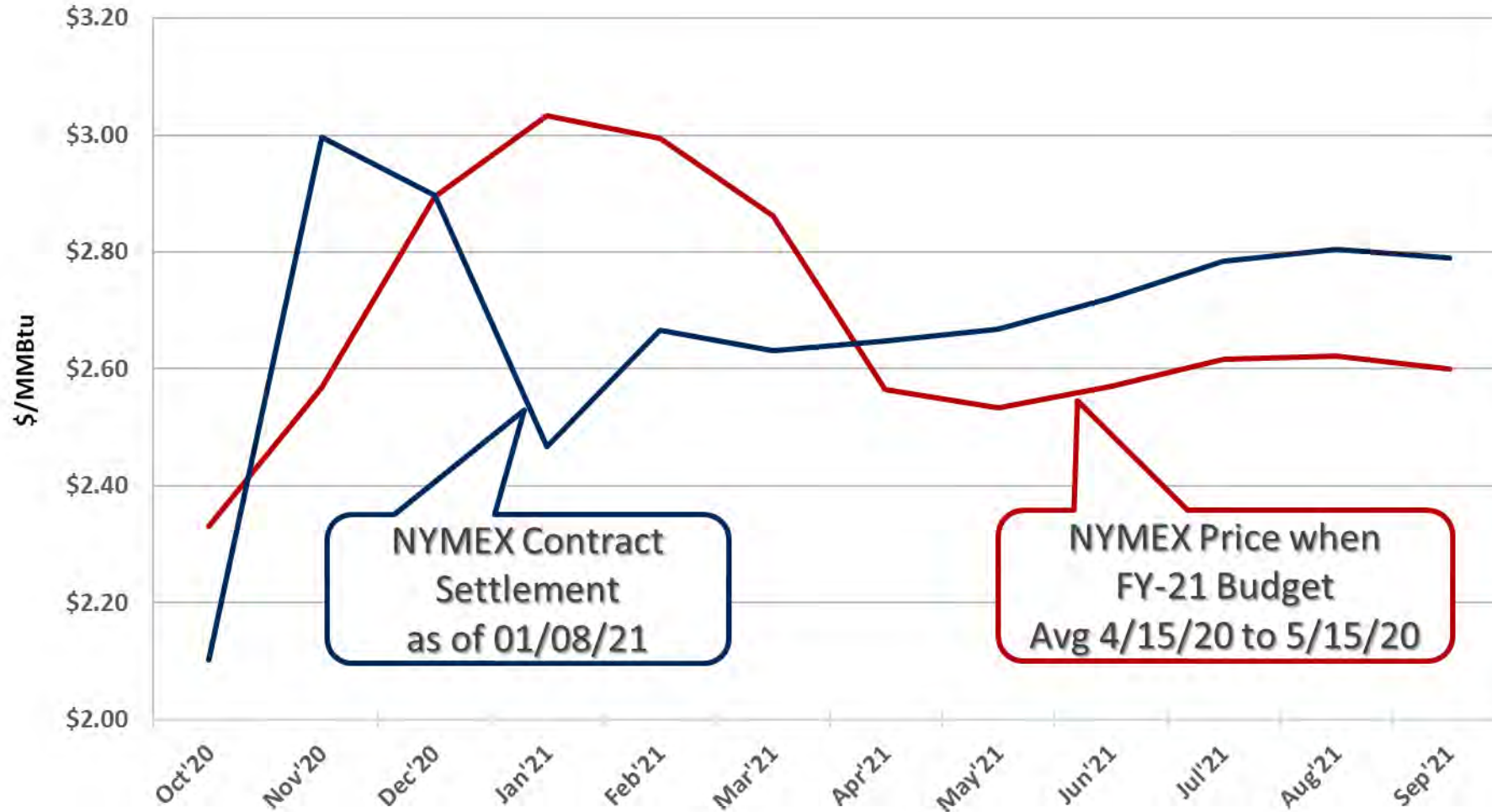


Fiscal 2021 Management Goals through December 31, 2020

Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
1.Safety	Lost-time Accidents	0	1	0	0	No lost time accidents for Dec.
	OSHA Recordables	0	1	0	0	
2.Compliance	Environmental	0	0	0	0	Staff awaiting submittal of a self-report for a NERC CIP violation related to a GE monitoring network connection
	Financial	0	0	0	0	
	Regulatory	0	0	0	0	
3.Low Cost (\$/MWh)	Under \$70/MWh	\$70.18 *	\$69.48 *	\$74.77	< \$70.00	* Estimates. YTD December 2020 MWh sales 5.6%> budget. All-in Costs \$5/MWh (~8%) < YTD target due to O&M (10%), assigned Project Costs (10%) and Admin & General (17%) < target, but TXMS Expenses (4%) above target.
	Fuel	\$21.70 *	\$20.37 *	\$20.99	\$22.19	
	Non-Fuel	\$48.48 *	\$49.11 *	\$53.78	\$47.81	
4.Stanton I and Stanton II Decision from OUC to reduce power costs and emissions						Staff working with OUC to obtain conversion capital estimates and work with FGU and FGT on natural gas supply requirements

FY 2021 NYMEX Contract \$0.00/MMBtu Deviation from Budget

NYMEX Natural Gas FY21 October Settlement (01/08/21)



Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
5.Cyber Security	Breaches	0	0	0	0	
	Phishing tests	2.7%	4.6%	5% or <	5% or <	2 people clicked in Dec. Holiday Gift Exchange Invitation link.
	Member assessments	1	1	1	5	3 assessments - in progress
6.Reliability	CC EAF	97.5%	89.0%	85.9%	90%	TCEC was in outage.
	SI black start and trans. backup	0	1	1	100%	
	SAIDI Reduction	3	3	3.3	10	Williston coordination review, Bartow TripSavers, Blountstown coordination review
7.Member Services	Leadership member visits	6	22	18.75	75	6 member cities visited by senior leadership team
	Projects managed for members	0	6	5	20	
8.Value of Muni	Member info updates	0	0	4	16	Report development in progress
	Presentations Social media	2	5	2.5	10	Newberry, Starke, Leesburg, Lake Worth Beach, Chattahoochee

Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
9.Load Management	Dev. opportunities for 5 MW	0	0		5	Workshop scheduled in March, Staff continuing understanding of Members' capabilities
10.Financing	Restructure debt	0	0	0	1	RFPs received in December
	Extend debt to include R&R funding	0	0	0	1	Info item to EC in January
	Prepd gas min. svgs. Of \$0.20/mmBtu	0	0	0	1	
11.Transmission	Neg. service upgrade for LWB & Homestead					Ongoing design meetings on schedule
12.People	360 training for Leadership & mgmt.	5	5	1.84	11	5 Completed. Next 6 will begin in March.
	Mgmt. outreach to diverse prof. groups	1	2	.5	3	Jacob - AABE membership Linda – NABA membership; contact at NSBE
	Individual development plans	9	9	12.5	50	6 developed first week of January (not included in this number)
	FMPA Fleet Team Sharing – Days	24	58	17	100	FMPA to Stock Island 24 days.

Elements of President Biden's Plan for Clean Energy Future

Very Aggressive Reduction in CO₂ Emissions

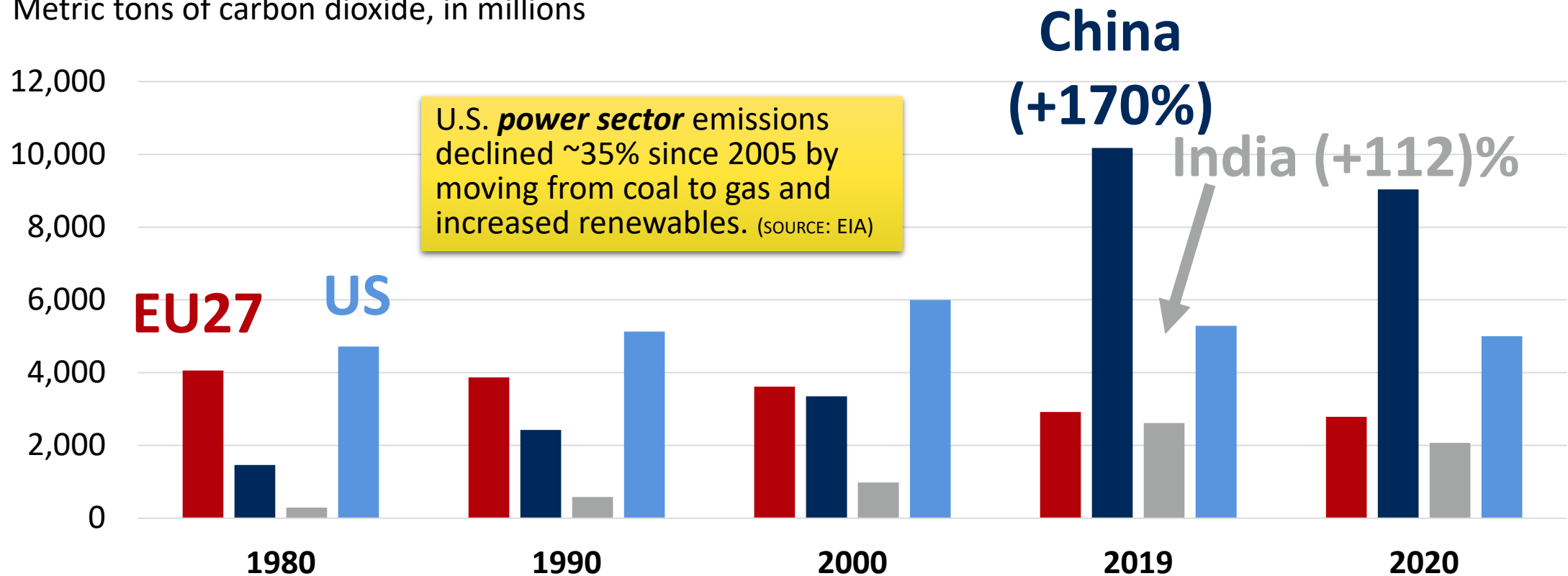
- **Power Sector:** Achieve a carbon-free power sector by 2035
- **Innovation:** Invest in clean energy technologies, including battery storage, negative emissions technologies, next generation building materials, renewable hydrogen, and advanced nuclear
- **Auto Industry:** Incentives for consumers and manufacturers to invest in zero-emission vehicles; public investment in EV infrastructure
- **Transit:** Invest in zero-emission public transportation

CO₂ from China & India Offset Declines from U.S. & EU

U.S. Emissions Declined ~17% Since 2000, Back to 1990 Level

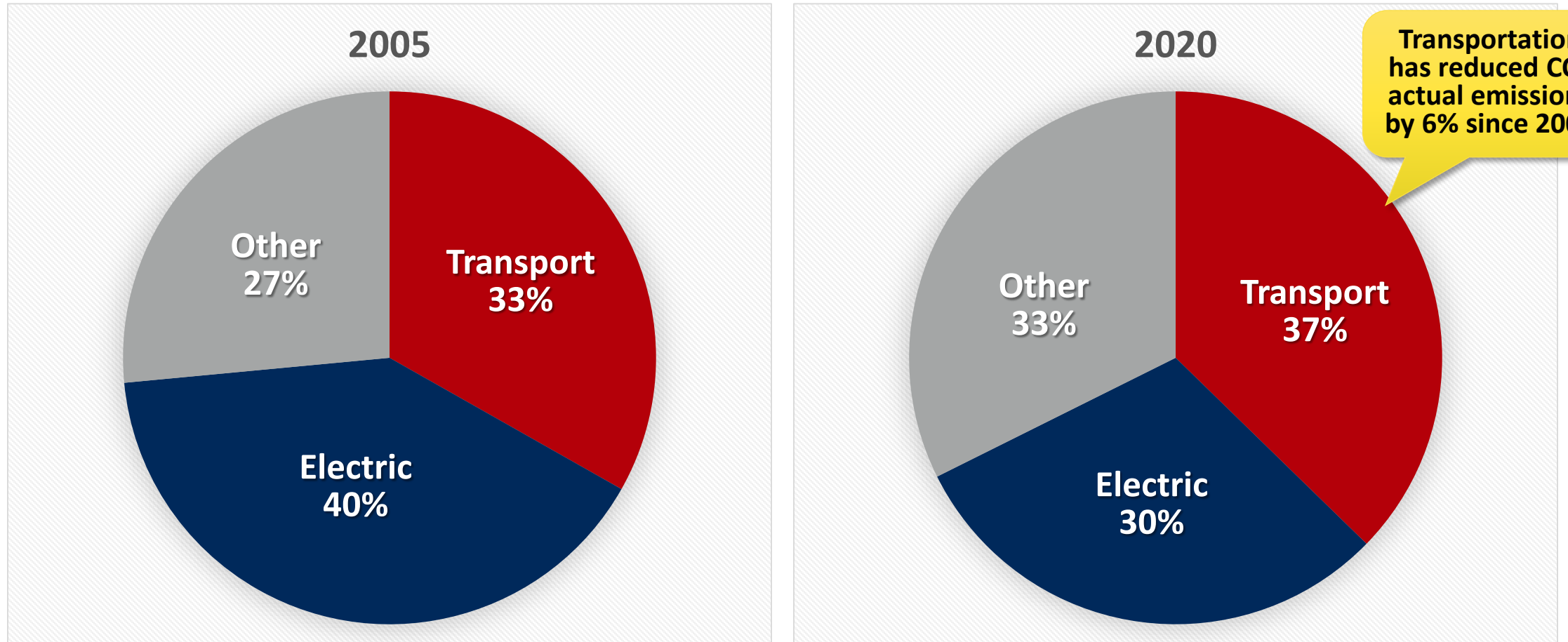
CO₂ Emissions by Territory

Metric tons of carbon dioxide, in millions



U.S. Transportation Sector Now Largest U.S. CO₂ Source

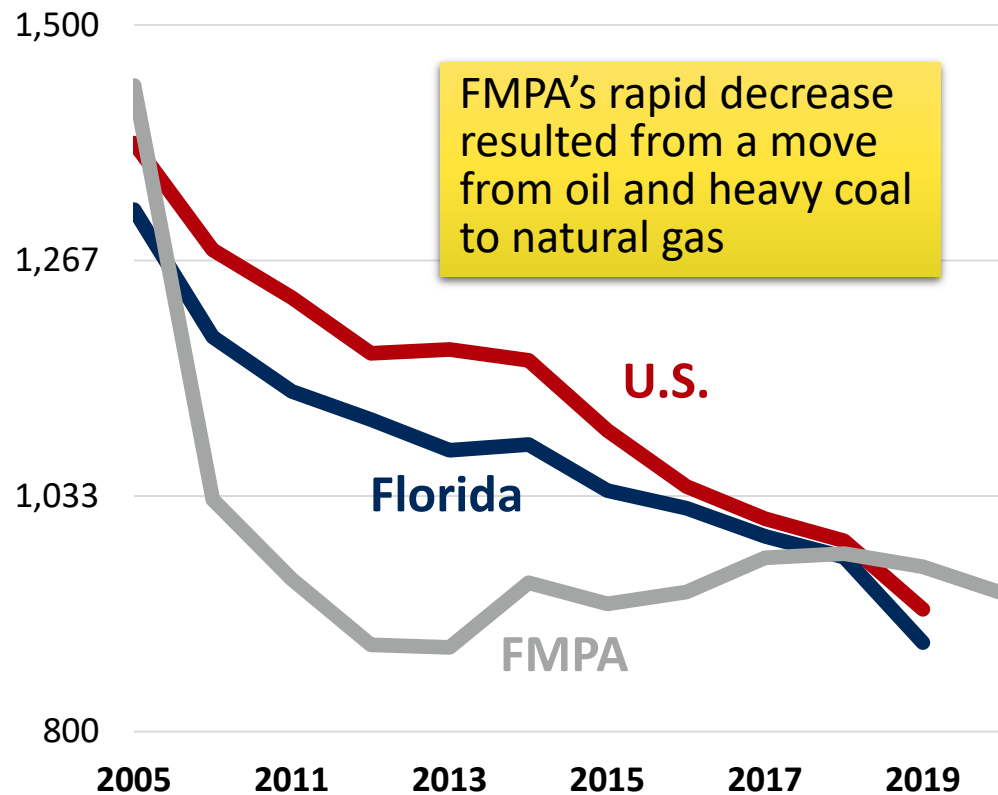
*U.S. Electric Sector Reduced CO₂ Emissions by ~35% Since 2005**



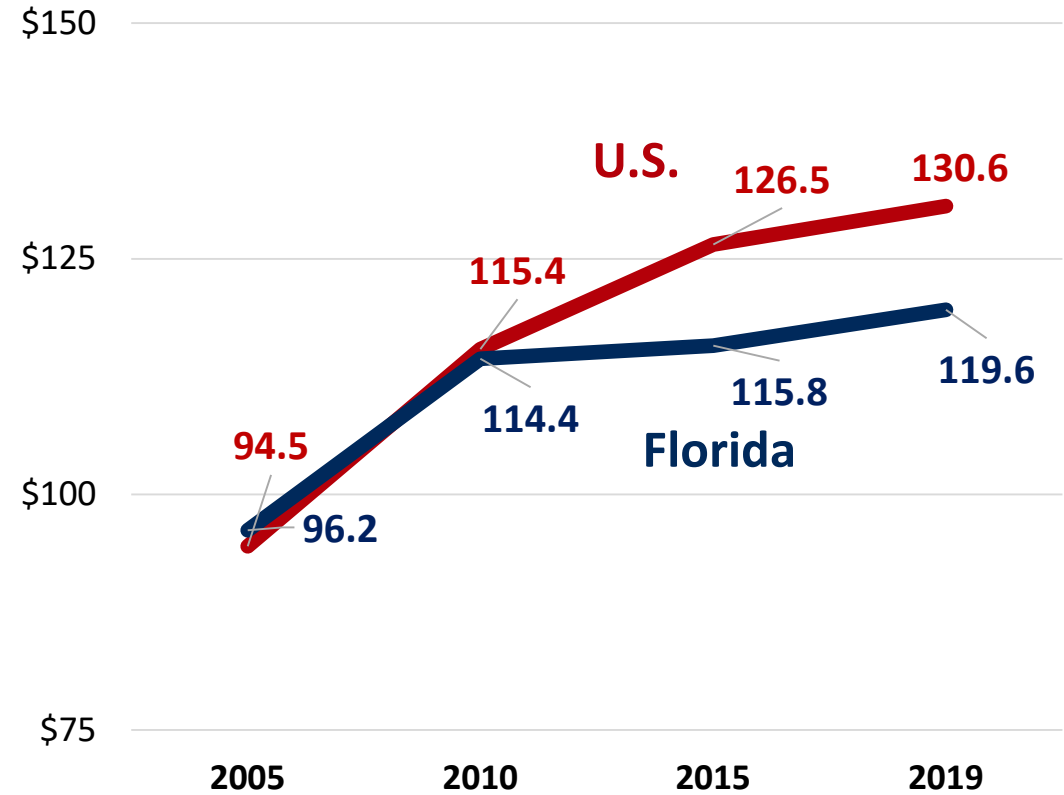
FL CO₂ Declined ~33% Over Last 15 Years, Prices Up 25%

U.S. CO₂ Declined 33% as U.S. Power Prices Rise 38% since 2005

CO₂ Emissions (lbs./MWh)



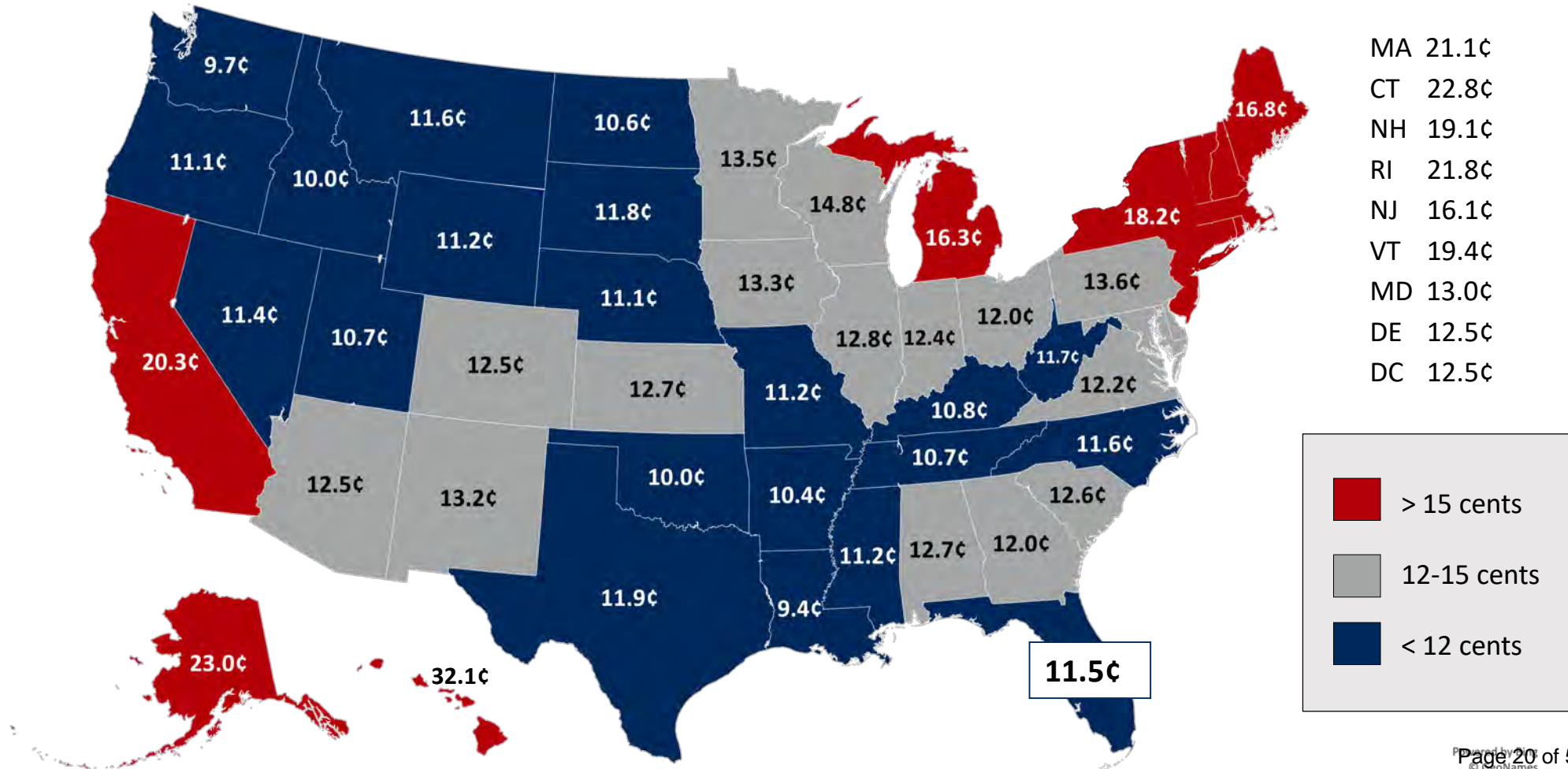
Residential Rate (\$/MWh)



Florida's Residential Electric Cost 16th Lowest in U.S.

Very Competitive in Southeast, Which Must Import Most Fuel

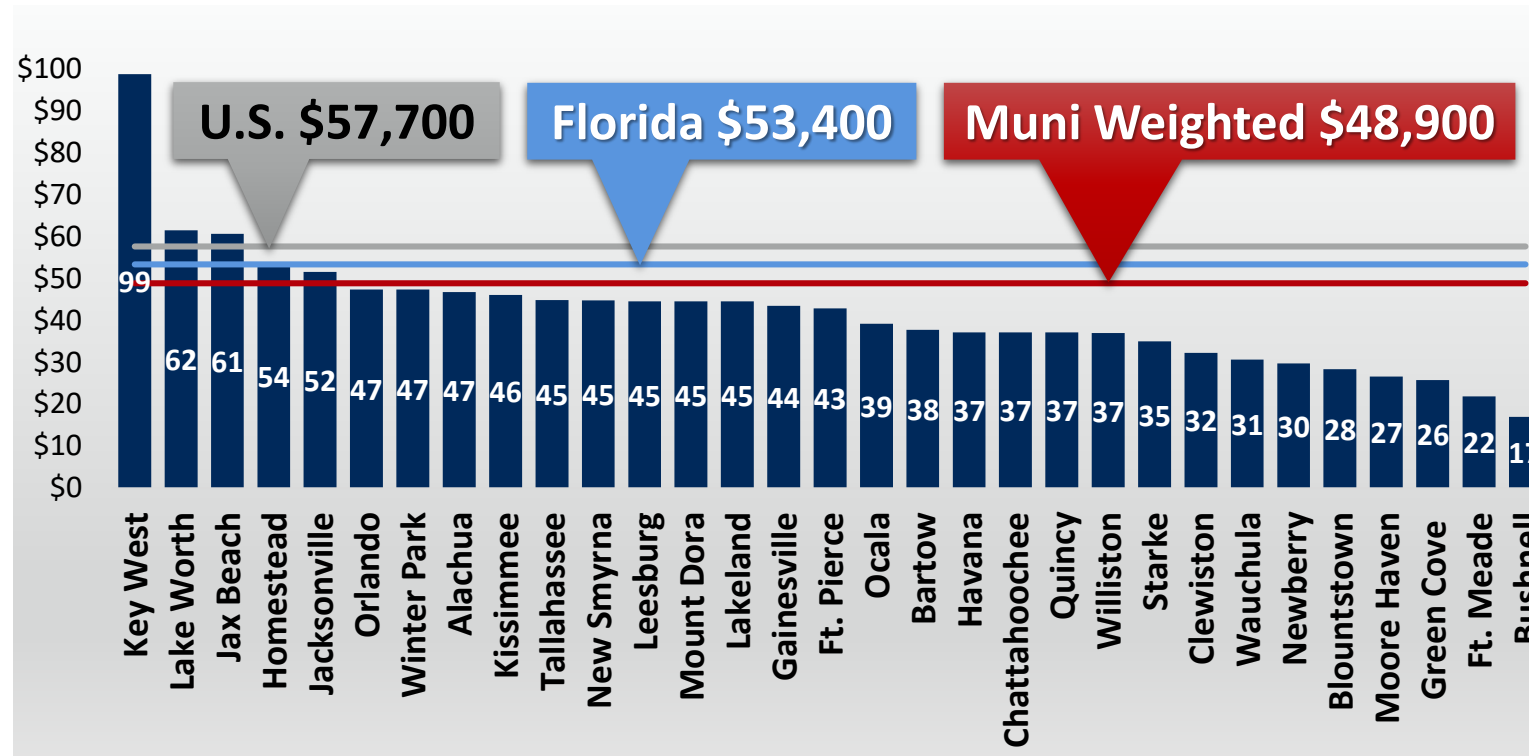
Residential Average Cost, cents per kWh



Income in Most FMPA Cities Below U.S., State Averages

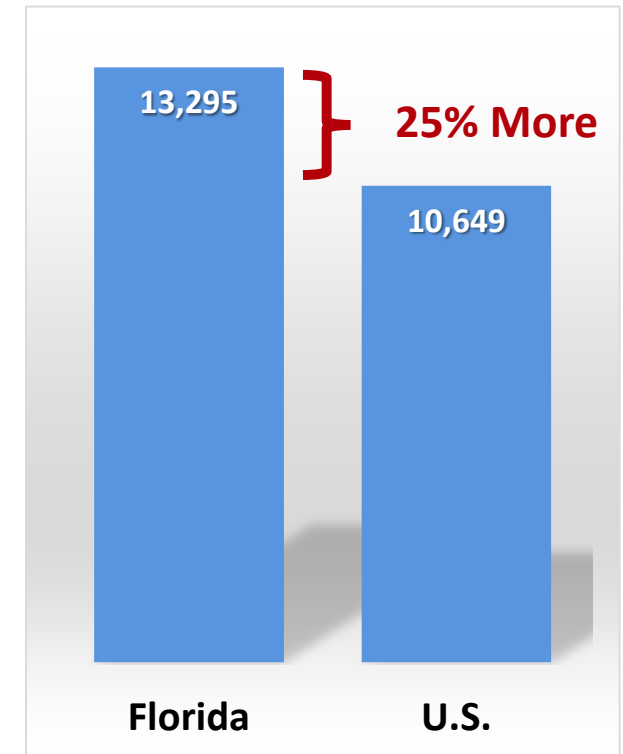
Electric Bill a Big Expense in Florida Because We Use More

2020 Personal Income per Capita
Thousands Omitted, Current Dollars



SOURCE: Woods and Poole Economics, Inc. and U.S. Census Bureau

Residential Electric Usage
Kilowatt hours per customer, 2019



SOURCE: U.S. Energy Information Administration

Utilities Must Balance Cost, Reliability and Emissions

How Much Can Customers Pay for More CO₂ Reductions?



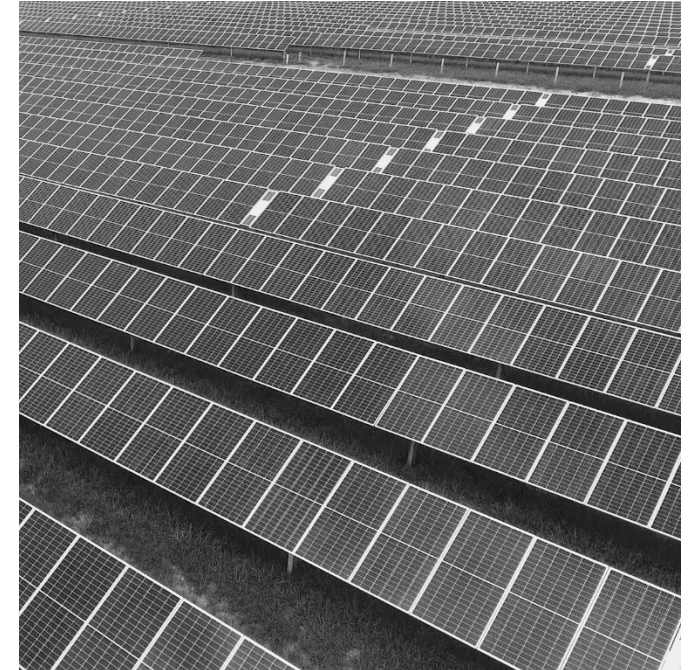
LOW-COST POWER

Customers Need It



RELIABLE POWER

Customers Expect It



CLEAN POWER

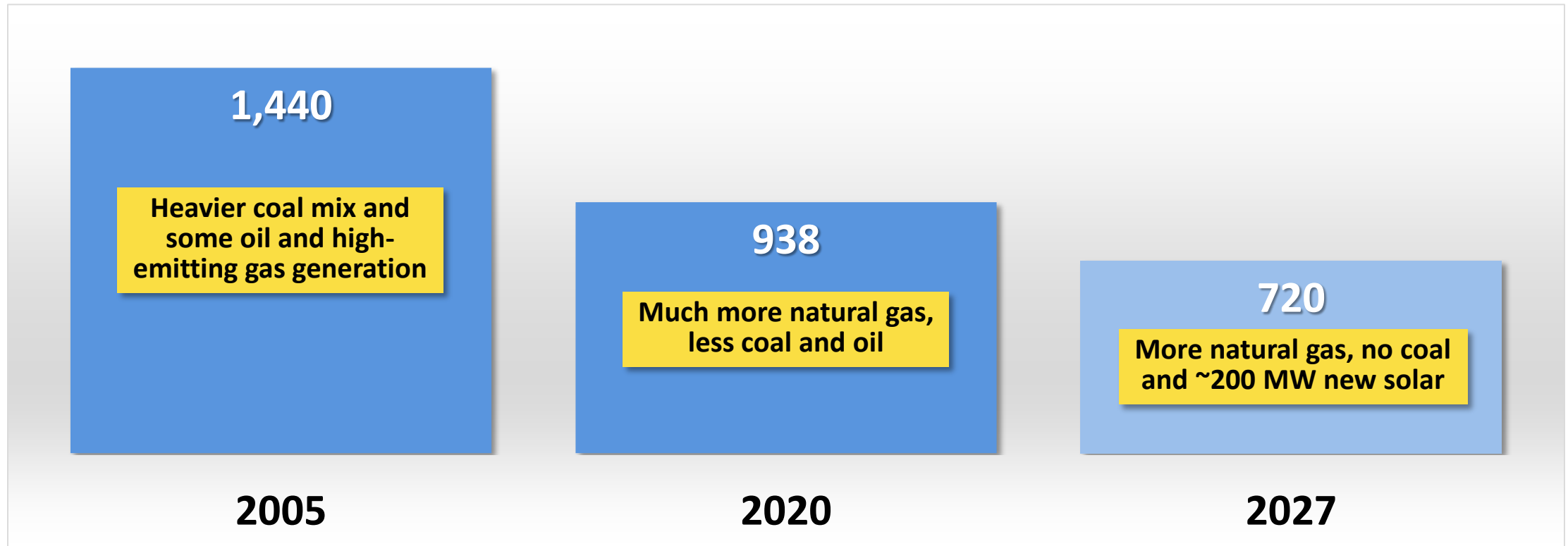
Customers Want It

FMPA CO₂ Declined 35% from 2005

50% Decline from 2005 to 2027: More Gas and Solar, No Coal

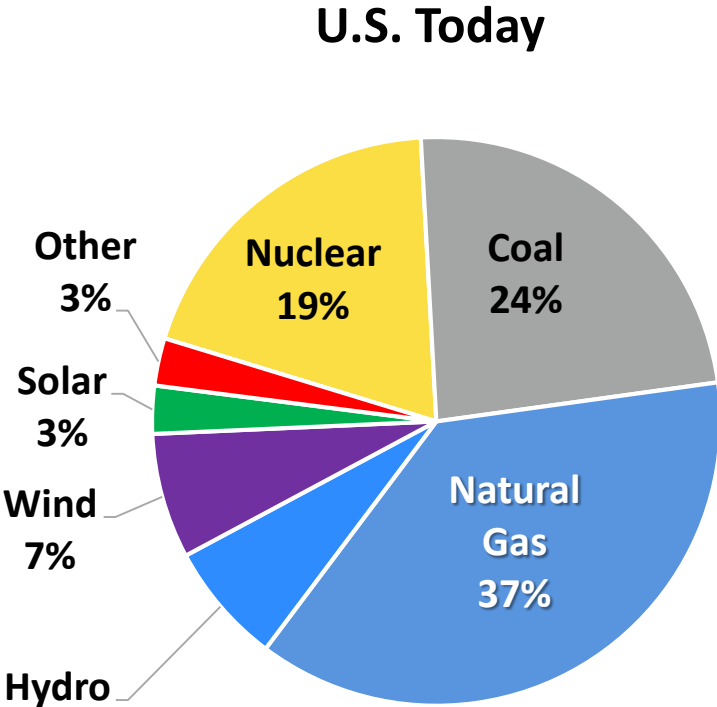
CO₂ Emissions for FMPA's All-Requirements Project Generation

Pounds per Megawatt hour, historic and projected

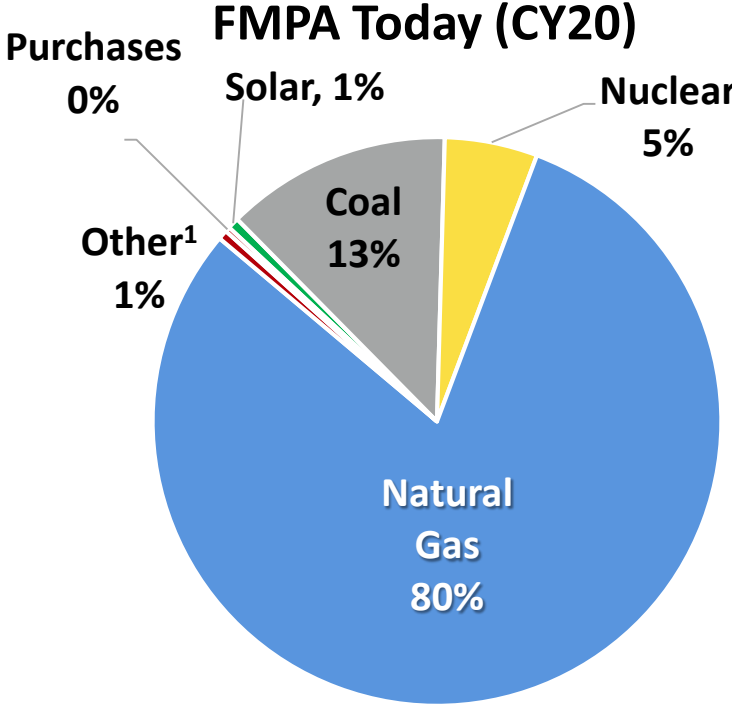


U.S. Has ~30% Energy CO₂ Free, But 24% Coal

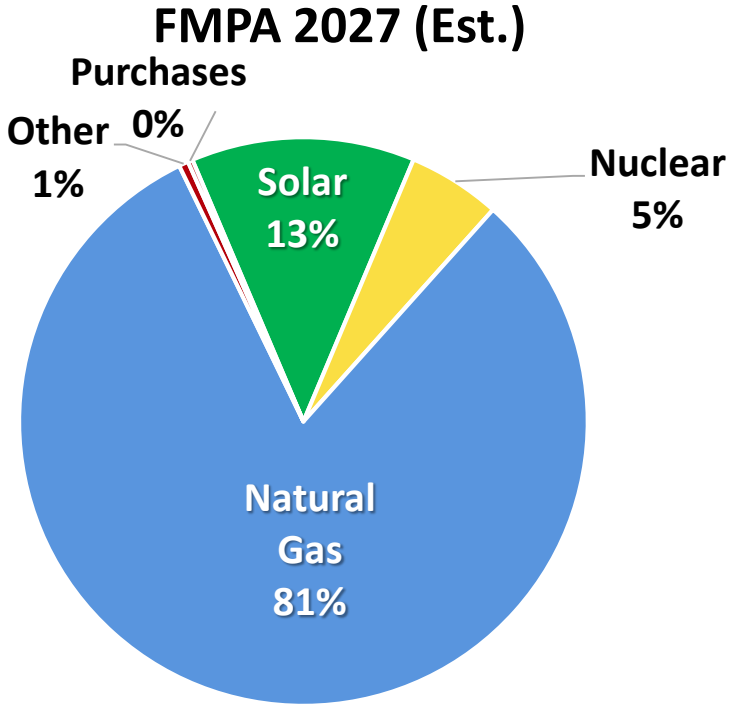
FMPA Growing to 18% CO₂ Free by 2027, No Coal/More Gas



3,811,150 GWh



7,811 GWh



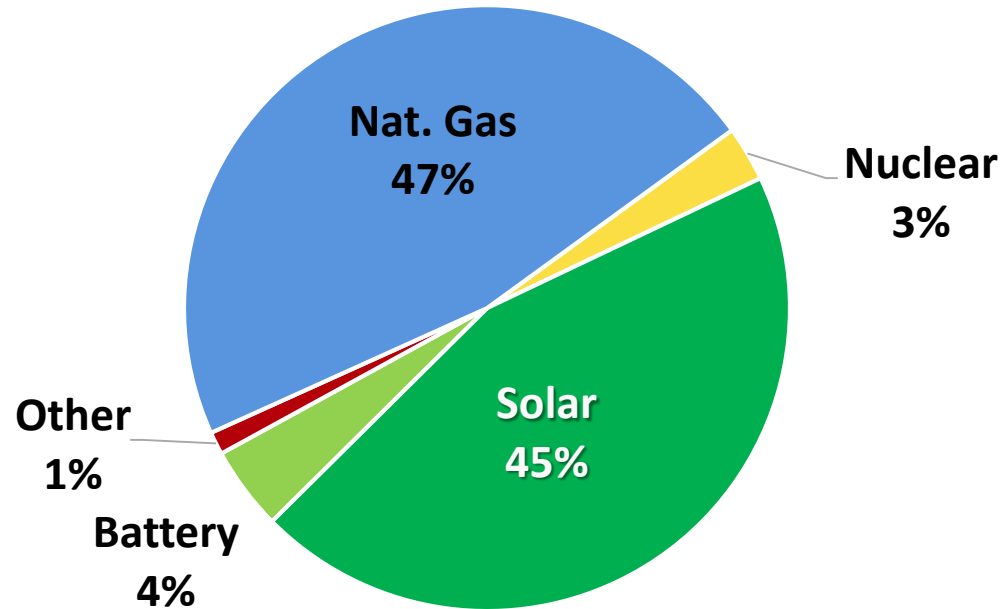
7,811 GWh²



1 – Includes US Sugar, residual and distillate fuel oil
 2 – Assumes same level of generation.

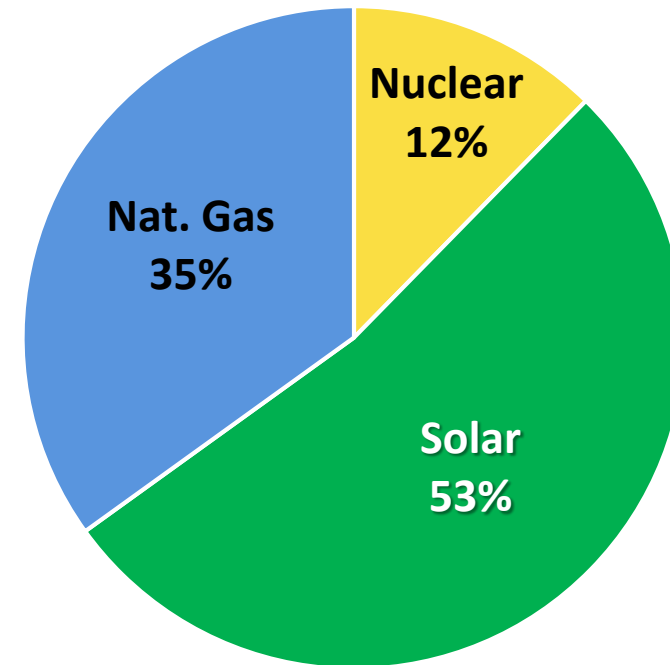
70% CO₂ Reduction by 2035 Requires Large Solar Build

Florida Capacity at 70% CO₂ Reduction



123,247 MW

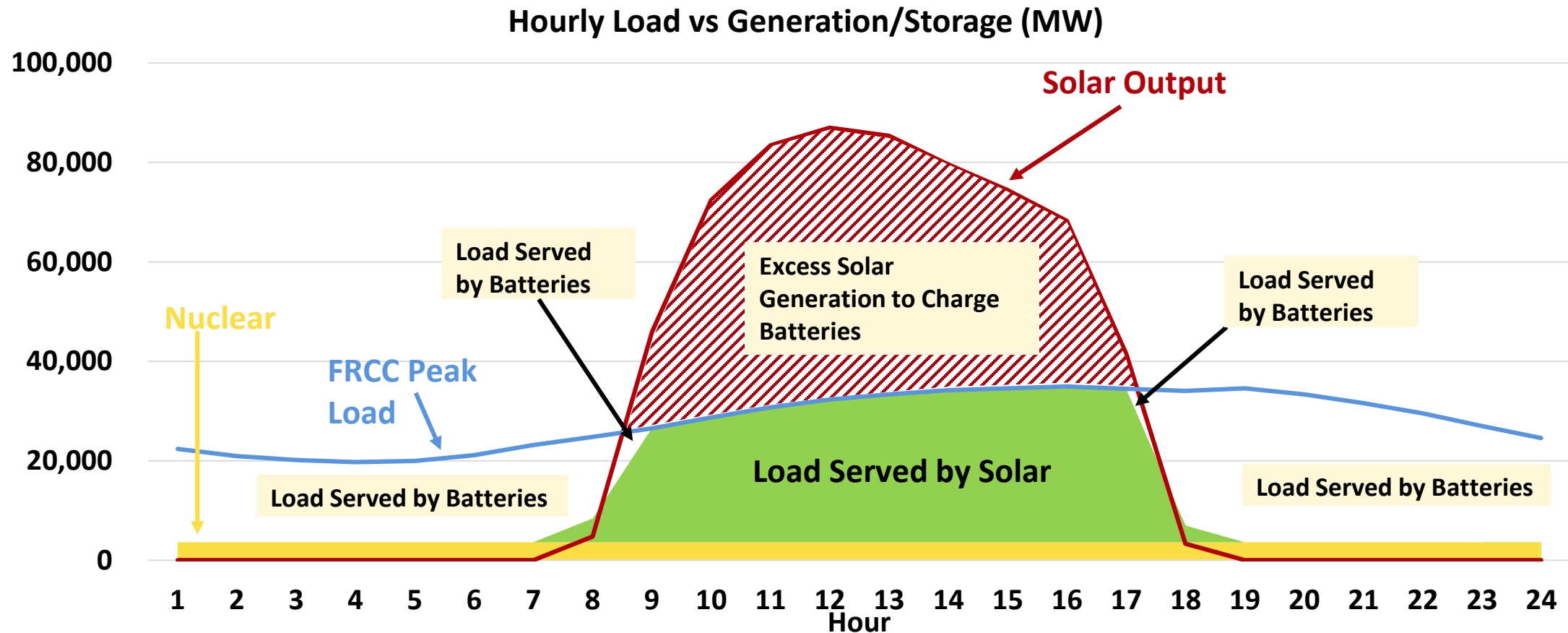
Florida Energy at 70% CO₂ Reduction



238,535 GWh

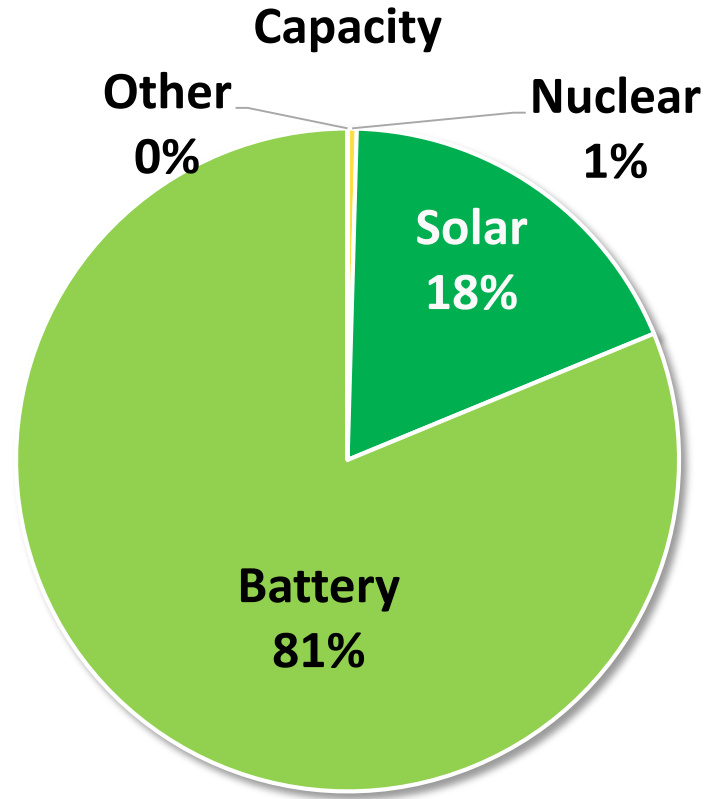
Electric Reliability Challenges with Significant Solar

Solar Output Peaks at a Different Time than Electric Demand



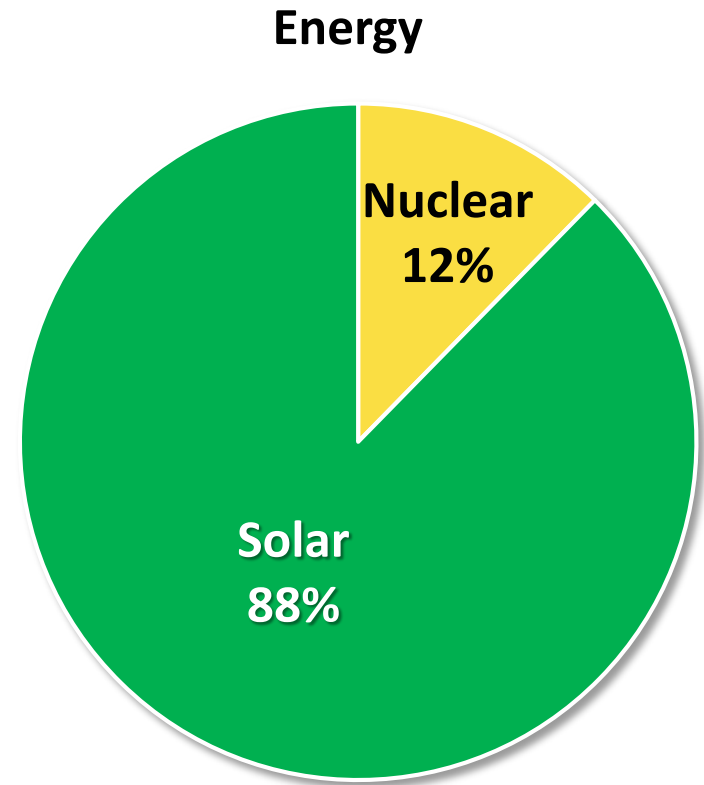
FL 100% CO₂ Reduction Requires Extensive Overbuild

Solar & Batteries Additions of 11x Entire Current FL Capacity



816,998 MW

Many CEOs for IOUs have publicly stated this is extremely challenging to achieve



238,535 GWh

Increasing CO₂ Reductions Comes at a Cost

Power Costs Increases Could Range from Inflationary to 250%

50%

CO₂ Reductions

**Inflationary
cost increases**

expected through
2027 while
achieving 50% CO₂
reduction from
2005 levels

70%

CO₂ Reductions

**20%
cost increases**

using natural gas
generation for
reliability and
peaking, solar
power increases,
some additional
battery storage

97%

CO₂ Reductions

**75%
cost increases**

with significant
solar power plus
battery backup
with natural gas
only available for
emergency use

100%

CO₂ Reductions

**250%
cost increases**

with significant
amounts of new
solar plus dramatic
increase in battery
capacity to provide
days of reserves for
cloudy periods

Reliable Power Critical for Customers and Economy

Thought of Removing All Fossil Generation by 2035 a Tall Task

- Customers and our economy need utilities to provide adequate electricity during all types of weather, not just when the sun shines
- Ensuring reliability requires backup capacity that is available 24/7
- To remove all fossil generation by 2035 would be a tall task and extremely costly for consumers
- In the future, some fossil capacity more than likely necessary as back-up rather than primary generation



In Conclusion



FMPA Working on a Clean Energy Transition

Our Goal: 50% Reduction in CO₂ from 2005 Levels by 2027

- FMPA aiming for a 50% reduction in CO₂ from 2005 levels by 2027 in a manner that balances electricity cost and reliability
 - In 2027, FMPA will be ~80% clean burning natural gas and ~20% carbon-free generation
- Increasing CO₂ reductions beyond 50% requires much more solar, along with notable investment in electric transmission
- Moving beyond 70% CO₂ reduction requires even more solar and introduction of meaningful but costly battery storage to retain reliable grid power supply
 - Solar additions have significant land-use impacts in several interior counties in Florida
- Step-function improvement in batteries necessary to make additional CO₂ reductions affordable

As Congress Contemplates a Clean Energy Future: *How Much Can Consumers Afford for More CO₂ Reductions?*

- **Set Realistic CO₂ Reduction Targets**

- CO₂ reductions from electric sector on a path for significant reductions by 2027 without dramatic power cost increases that create hardships for customers
- Florida has limited CO₂ reduction options other than solar and battery storage
- Further CO₂ reduction targets must consider impacts on power costs to consumers
- Goal of a carbon-free power sector by 2035 extremely aggressive

- **Provide Federal Incentives for Innovation**

- National R&D investment in lower-cost, more-efficient batteries
- Federal funding for modular nuclear reactors, lower-cost solar and hydrogen
- Advances in air conditioning efficiency and controls to enhance energy conservation

FMPA Will Hold Strategic Planning Workshop Feb. 17

We've Made Good Progress Since 2019, and More Work to Do

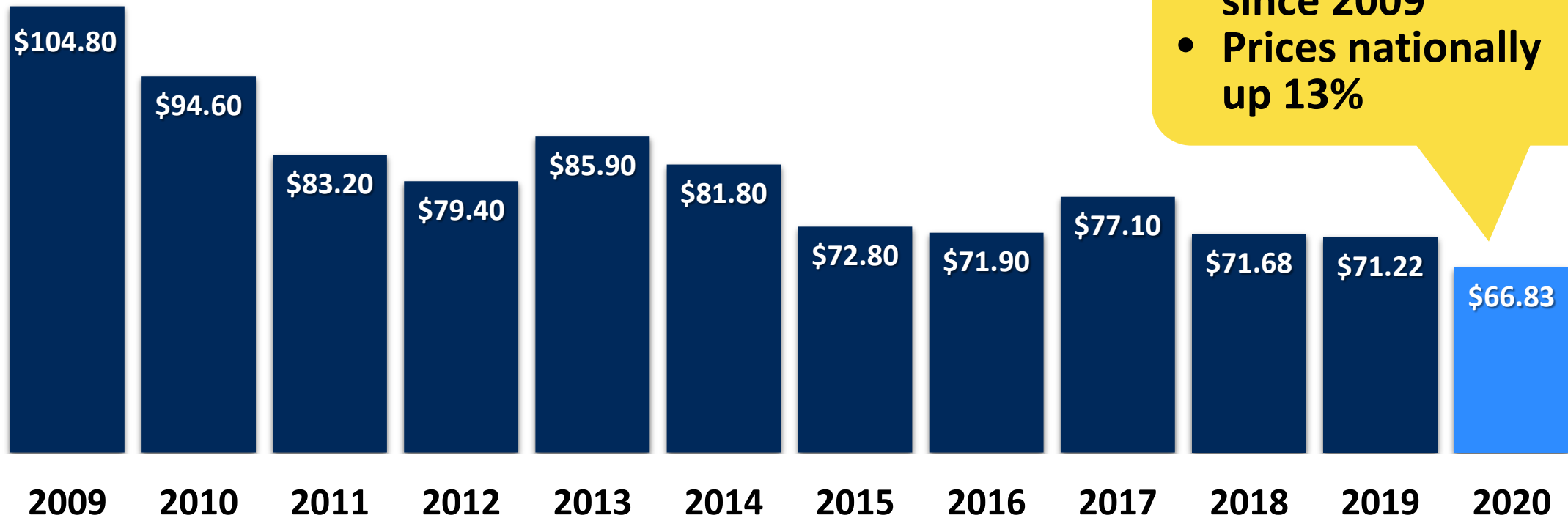
- Driven down FMPA's wholesale power costs to members
- Supported reliability enhancement projects for members
- Supported financial planning and solar subscriptions for members
- Expanded engineering services to members
- Expanded services in NERC compliance, cybersecurity and IT
- Mitigated transmission rate increases from other utilities, secured commitments for new transmission connections for members
- Expanded services in AMI implementation for members

FMPA's Power Costs Lowest Since 2004

First Time Below \$70 Per MWh in 16 Years

All-Requirements Project Power Costs

Average cost per 1,000 kWh billed by fiscal year



- Costs down 36% since 2009
- Prices nationally up 13%

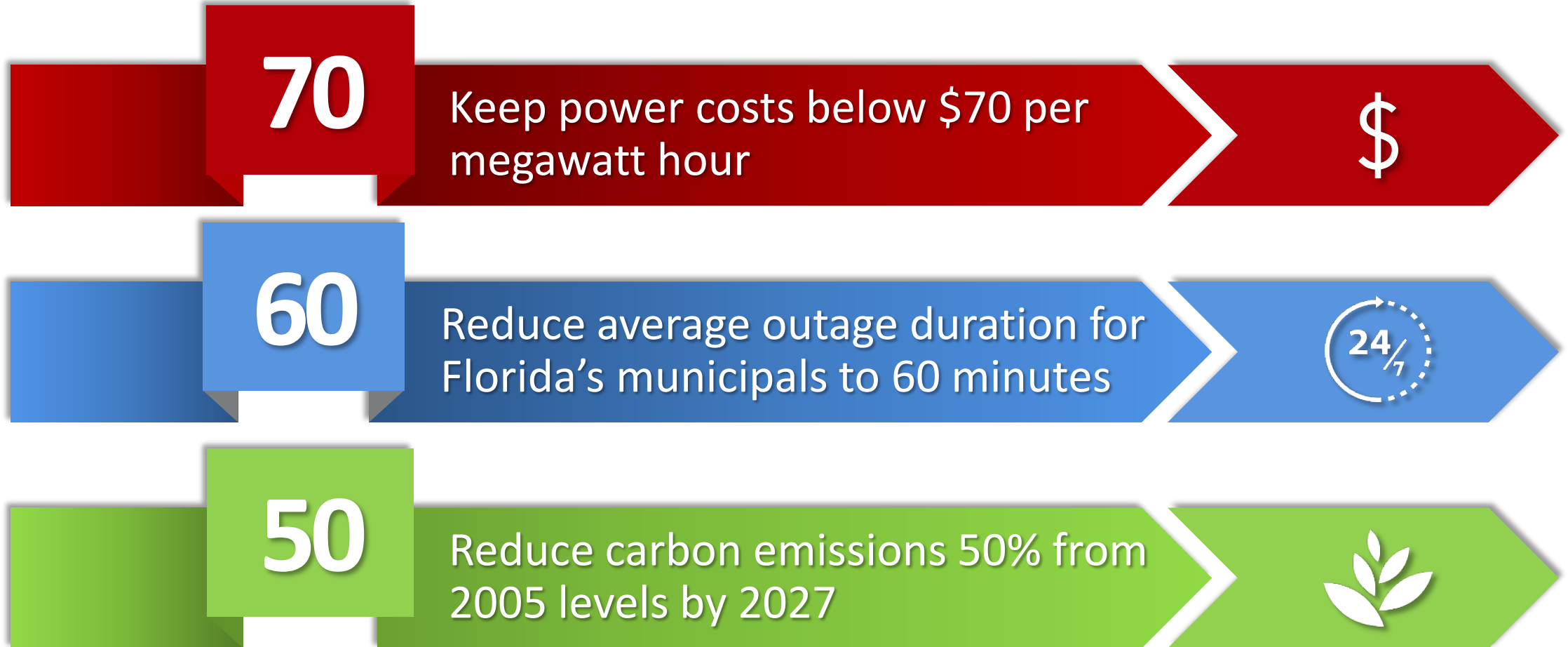
Overview: Muni Challenges Increasing

More to Achieve with Limited Resources

- Working to lower cost on retail front while...
- Continuing to improve reliability of power system and managing staffing retention challenges (e.g. linemen)
- Increasing new workload (e.g., IT, compliance, new technology, communications)
- Responding to increased customer expectations (service options, rate structures, day-to-day communications, and new technologies like EVs)
- Continued improvement in emissions reductions while keeping prices affordable
- Goal of increasing the member electric utilities' value to each of their communities and proactively communicating business model benefits

FMPA's Stretch Goals for the Coming Years

Our Targets for Low-Cost, Reliable and Clean Wholesale Power

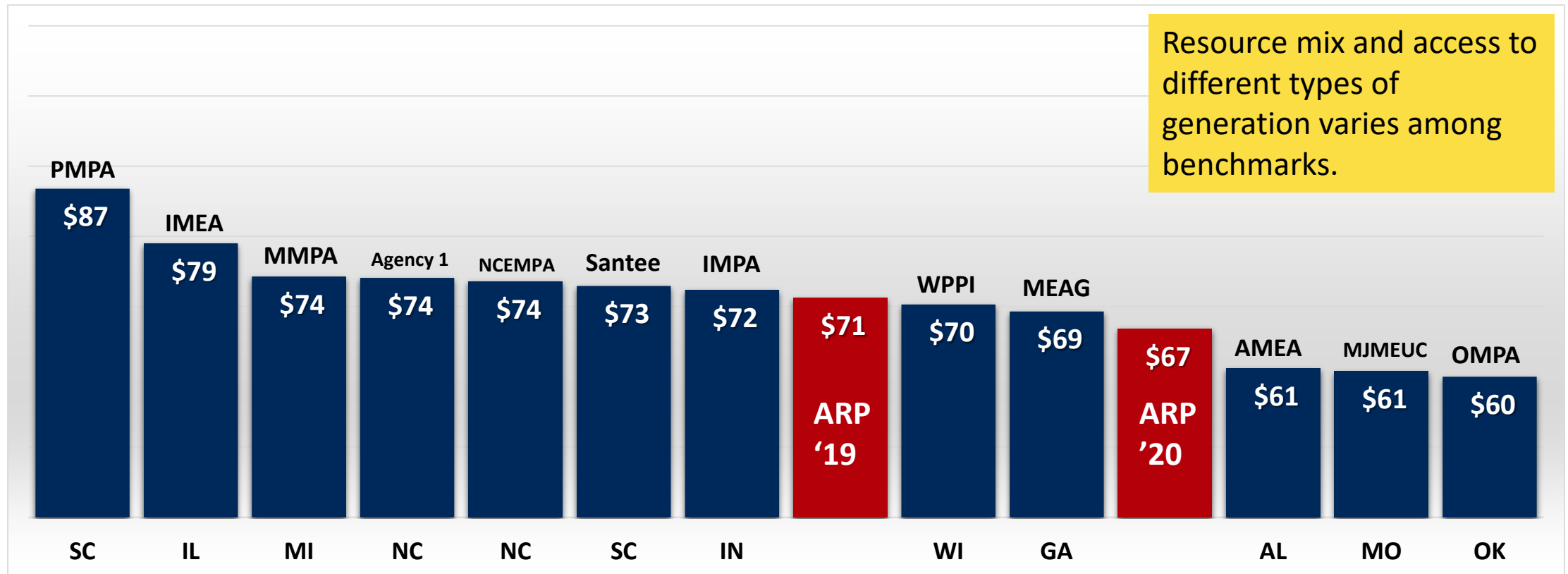


ARP Rates Competitive With Joint Action Agencies

Most Recent Rate in Lower Quarter of Benchmarks

Annual Average Power Supply Costs by JAA (2019*)

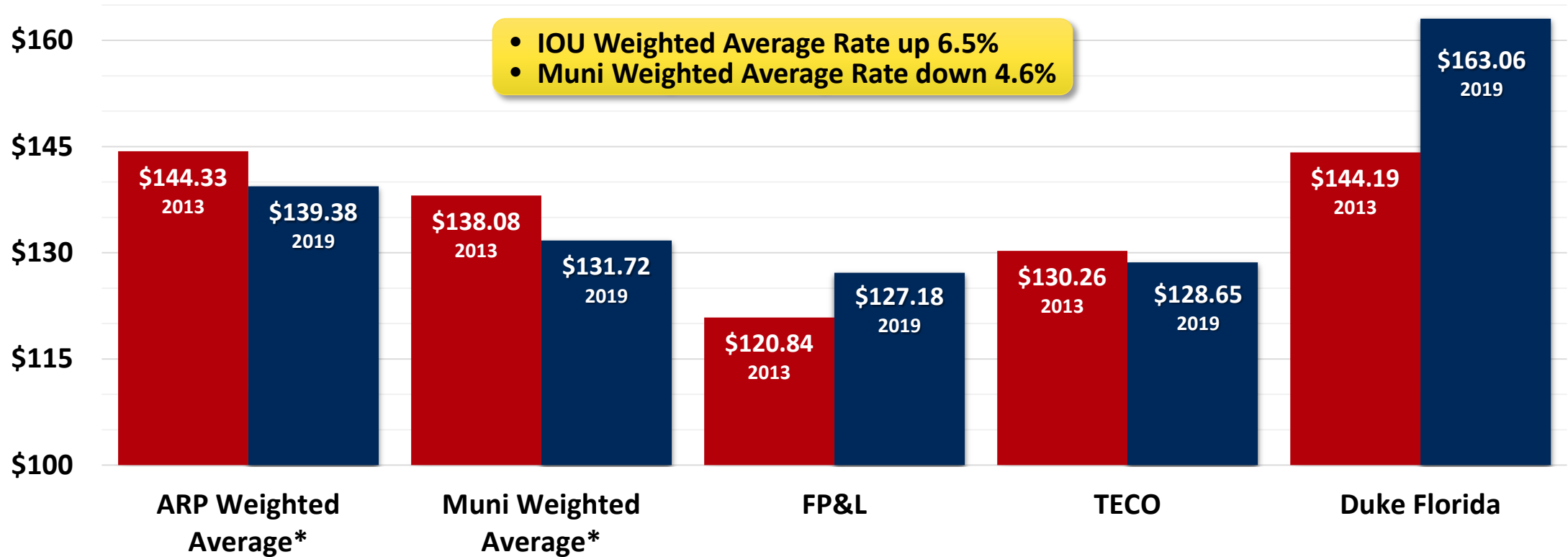
Average cost per 1,000 kWh billed. Source: PFM Financial, FMPA



Retail Rates Competitive, Could Improve

There's More We Can Do ... We're Not Satisfied

Residential Bill Comparison
 Cost per 1,200 kWh, Calendar Year 2013 vs 2019 Average Rate

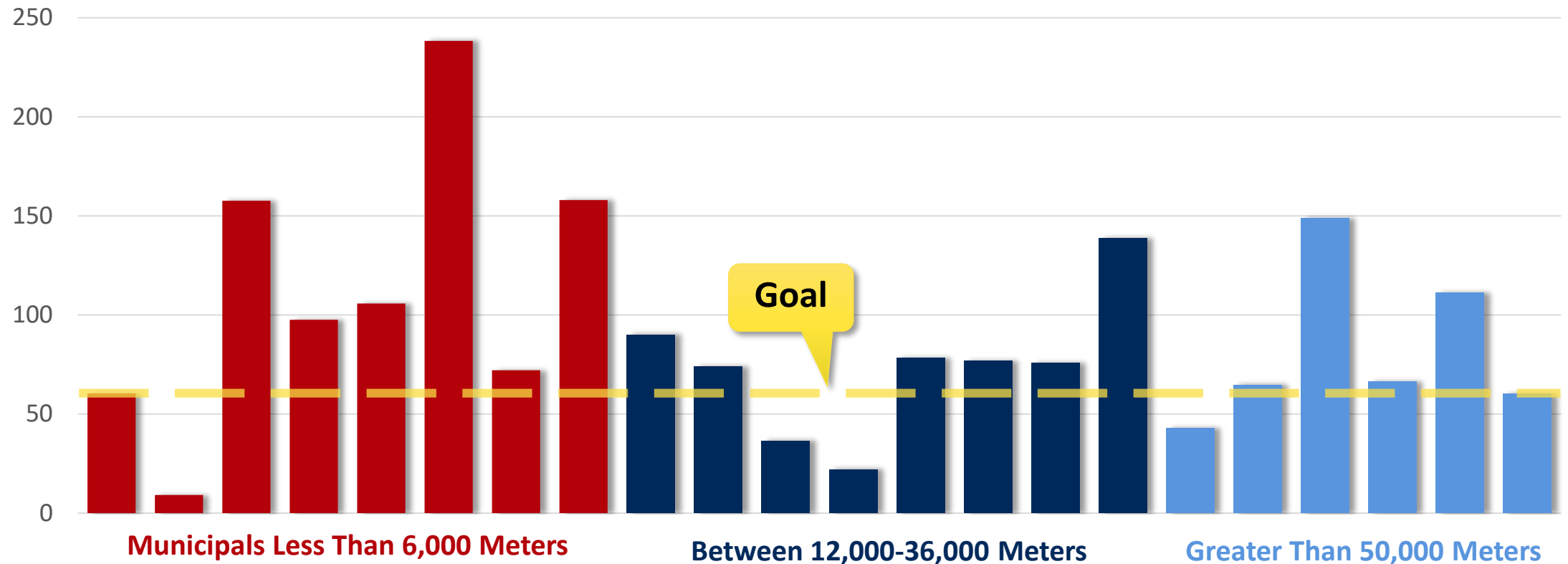


Municipal Reliability Performance Varies Widely

Significant Effort Needed to Meet the Goal

Average Outage Duration (SAIDI) for Municipals That Provide Data to FMPA

In minutes for fiscal 2020



As Costs Come Down, Will Reliability Be a Focus Area

Is There a Joint-Action Advantage to Expand Reliability Services

- FMPA works to supply reliable wholesale power, and retail-level reliability important, too
- Some municipals challenged for various reasons to apply best practices
- If members seek assistance to the level of the opportunity, additional FMPA resources could be necessary to support reliability efforts
- Is reliability a top strategic issue for members?
- Do members see a joint-action advantage for FMPA to expand reliability services?

Reliability Best Practices

- Circuit inspection
- Substation maintenance
- Tree trimming
- Fuse coordination
- Pole inspection & replacement
- Targeted hardening
- Lateral reclosers
- SCADA
- GIS
- AMI

We Have a Lot to Feel Good About on Environment

Key Question: How Much Further and at What Price?

- Florida and FMPA emissions down significantly since 2005
- Biggest near-term opportunity to reduce emissions further is conversion of Stanton 1 and 2 from coal to gas set for not later than 2025 and 2027
- FMPA on track for 50% reduction in emissions vs. 2005 by 2027 with small amount of additional solar and eliminating coal generation
- Choosing the path of continual CO₂ reduction will require a careful balance between performance and cost, with solar and storage only current viable options