



9a – Mid 20s Capacity & Resource Position Update

Executive Committee

September 16, 2021

ARP's Capacity Needs Are Peaking in Nature

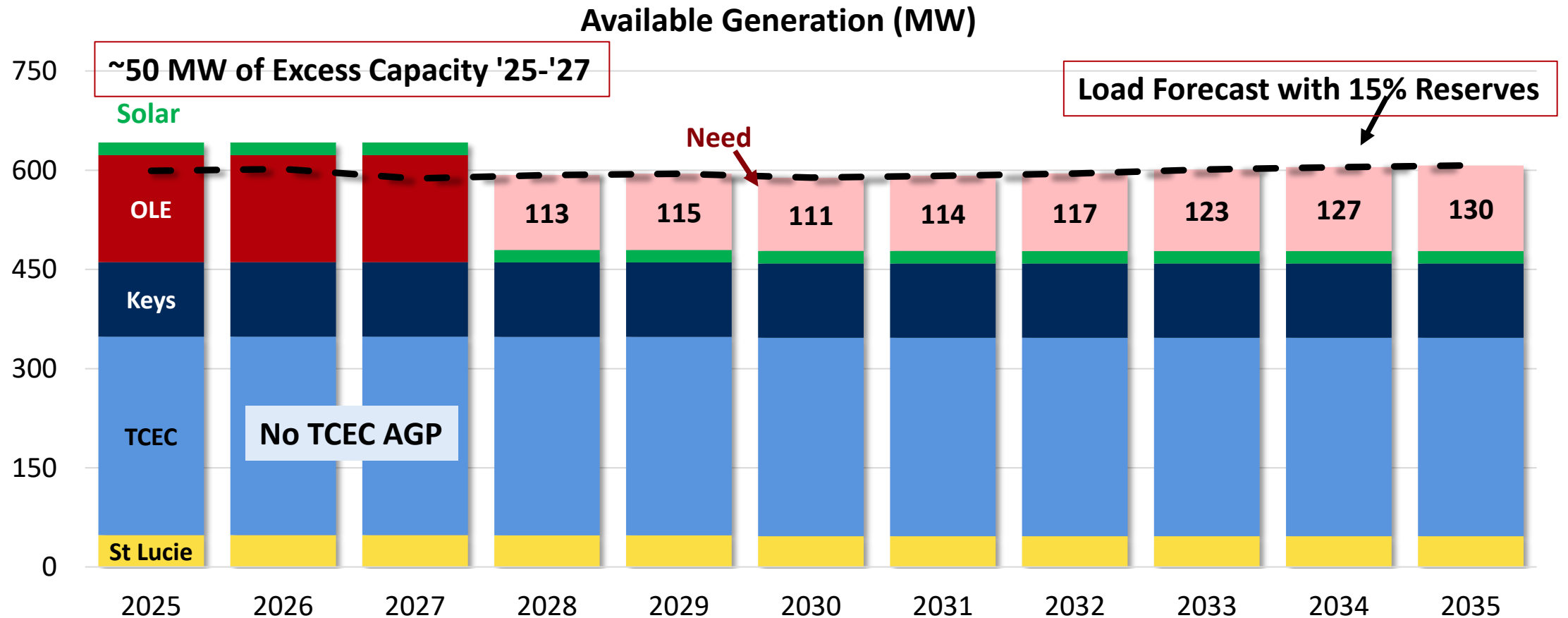
A Diverse Combination of Solutions May Provide the Best Value

- The ARP has regional needs for at least 80 MW of peaking capacity starting in 2025
- Options for filling needs
 - Upgrades at Cane Island and Treasure Coast
 - Demand management implementation
 - Third-party power purchases
 - Solar / battery additions
 - Existing merchant assets



East Summer Capacity Need ~110 MW Starting 2028

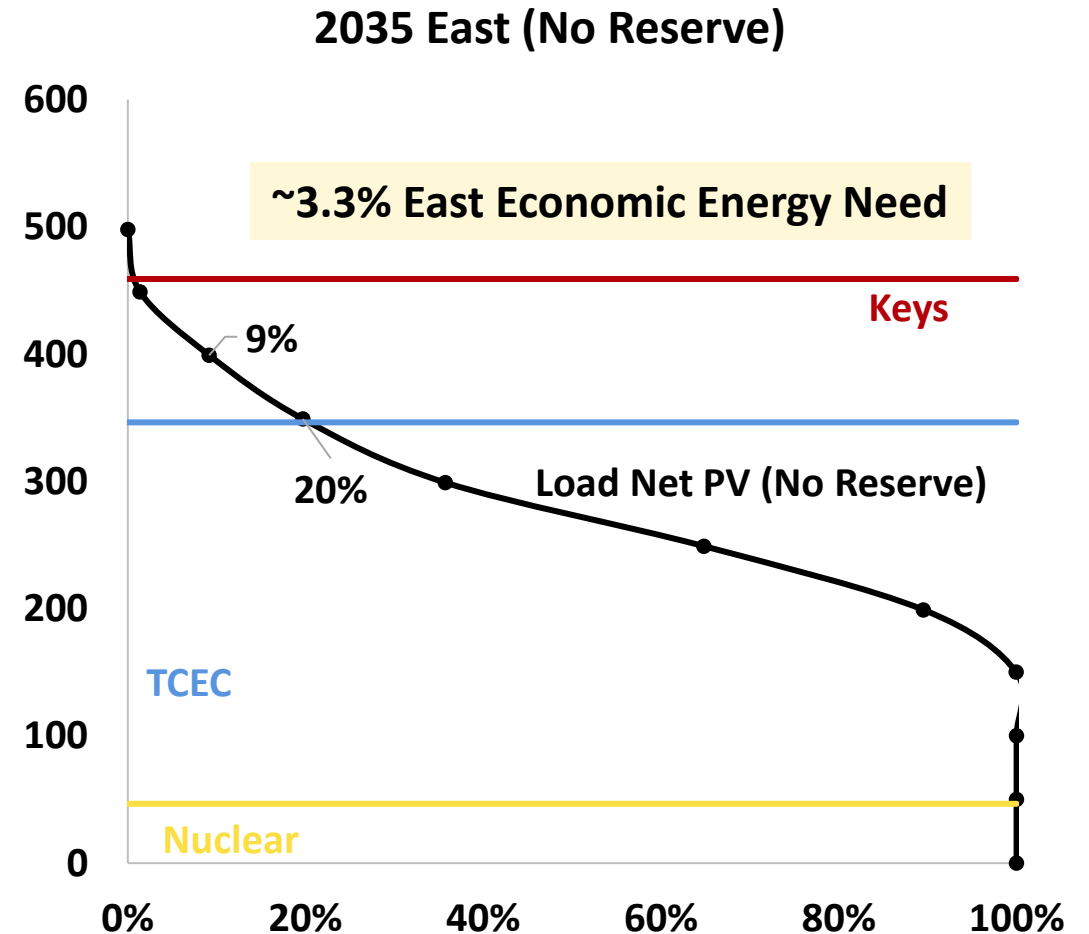
Loss of Stanton 1 and Oleander Create Need



East Energy Needs Minimal, Limited to Peaking

Reserve Capacity Typically Offset with Cheaper Energy

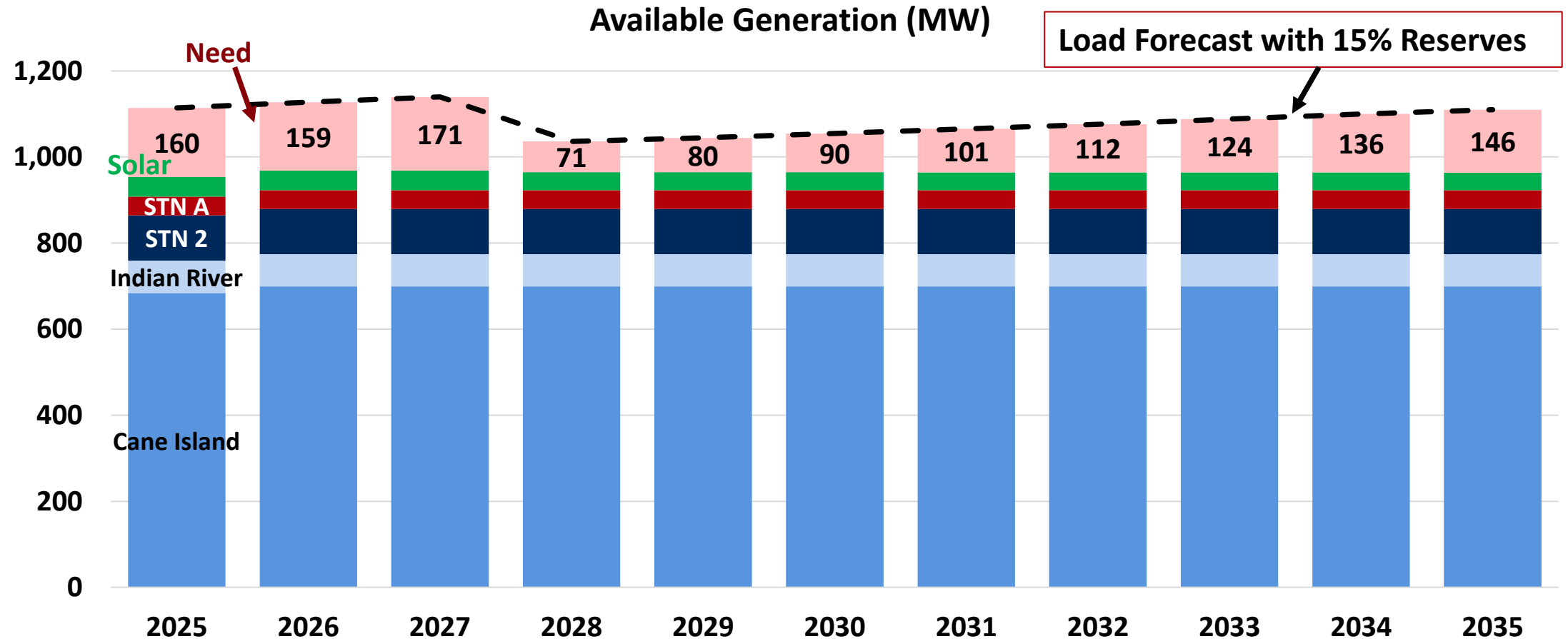
- St. Lucie share and Treasure Coast cover vast majority of East ARP cities' projected load
- Energy needs above that level minimal, can be replaced with economy from a range of sources
- Reserve capacity required to maintain planning margin
- East requires load following solution to comply with FPL transmission



Note: Summer capacities shown

West/KUA Summer Capacity Need ~150 MW in 2025

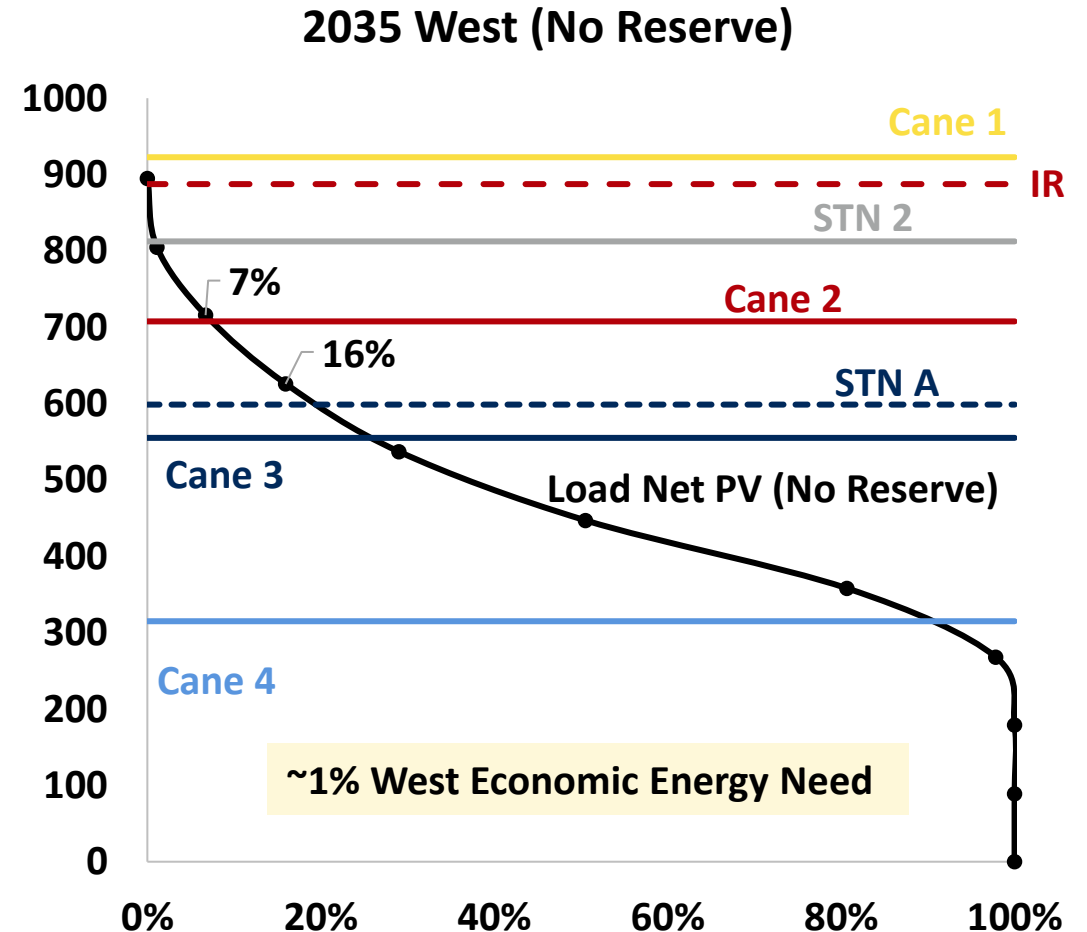
Loss of Stanton 1 Creates Partial Need



West Energy Needs Minimal, Limited to Peaking

Reserve Capacity Typically Offset with Cheaper Energy

- Workhorse Cane Island resources provide strong baseload position
- Stanton A has flexibility to move between regions using OUC transmission
- Indian River, Stanton 2 and Cane 1 serve as peaking
- Need is effectively reserve capacity needed to maintain planning margin



Note: Includes any sale obligations during each period. Summer capacities shown. Page 97 of 129 6

Investigating Internal Solutions Cost Effectiveness

Member Driven Solutions Need Further Exploration

Upgrades (~78 MW Estimated)

- Cane Island or TCEC, likely will not fill entire need
- May require more gas transportation capacity, evaluations underway

Solar + Storage Solution

- Customer interest and emissions reductions drivers
- Working with FMPA members to determine interest

Demand Management

- Requires Phase I survey of members' resources (ongoing)
- FMPA is currently analyzing the potential magnitude

External Solutions Also Being Evaluated

Required Flexibility May Come From External Resources

Power Purchase Agreements

- Defers significant investment in highly uncertain regulatory time
- Staff will bring back evaluation results of recent capacity RFP

Acquisition of Additional Assets

- Reduced market exposure in terms of future capacity price increases
- Staff is investigating and gathering data for various potential opportunities

East Region Requires a "Bandwidth" Solution

Stanton Resource Retirement Forces Decision

ARP East resources needed to load follow with Stanton 1 Retirement

Stanton PPA Solution

- PPA w/ OUC for load balancing product pointed to FPL
- Designated asset would have to be an efficient generator

Treasure Coast Modification

- Not configured to load follow on the East
- Would require additional investment to make a viable option

FPL PPA

- A specific load following product is required
- Could be a flexible and cost-effective solution

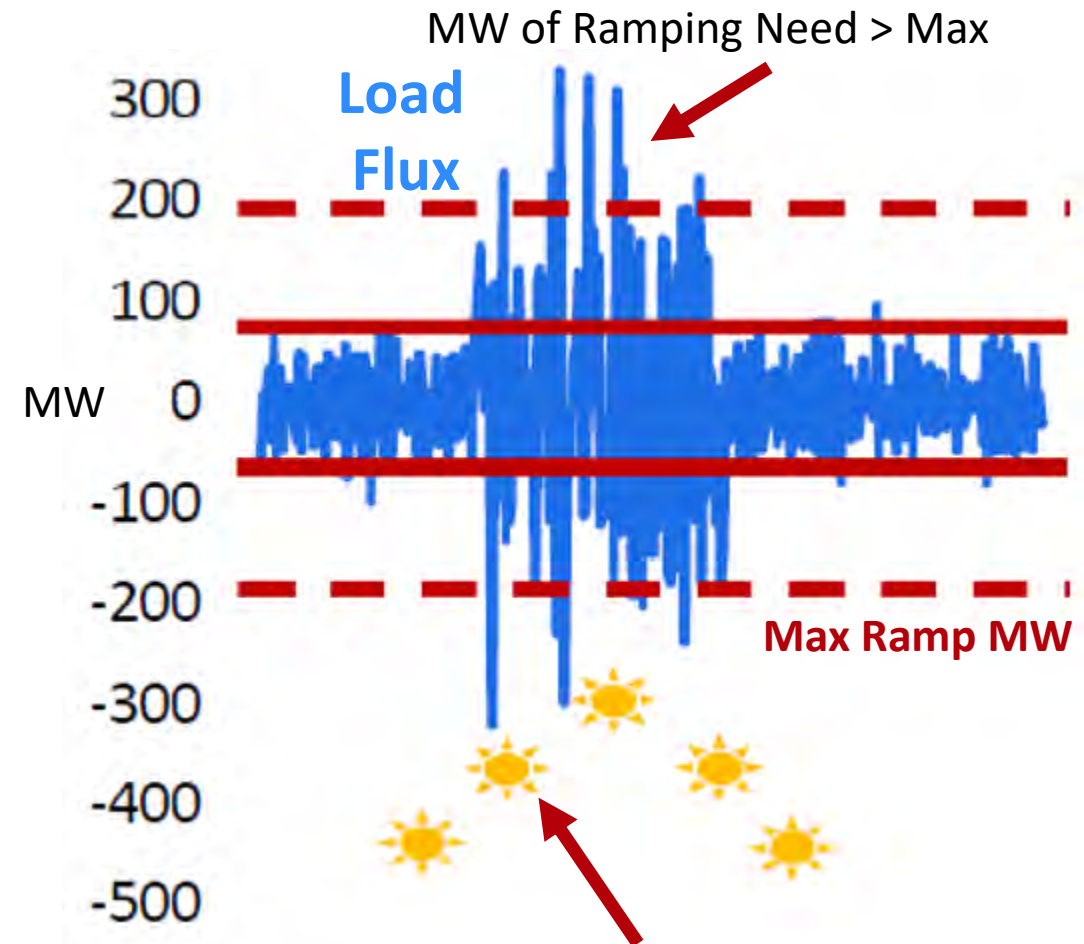
Balancing Authority Change

- Take East load and put into the FPL balancing authority
- Would require further investigation

Pool Needs Evolving Due to Renewable Objectives

FMPA's Solving Stand Alone, But Considering Other Value Drivers

- Today FMPP is heavy baseload units
- Significant additions of solar will drive a need for:
 - Quick start
 - Quick ramp
 - Backup fuel capabilities
- Locational diversity will also bring value by dispersing PV fluctuation



Staff Evaluating and Seeking Best Value for ARP

Analysis of All Options Ongoing in Parallel

- Staff continuing to survey member potential for demand management
- Continued monitoring of potential legislation and emission policy with impact on costs and tax incentives
- GE final quotes on upgrades due by end-of-month and internal balance of plant impacts and costs being evaluated
- Staff seeking member interest over next six months in next solar project with 2025 in-service date
- Discussions with third-parties ongoing as a result of capacity RFP with potential action by December