



MEETING AGENDA PACKAGE

Policy Makers Liaisons Committee

July 22, 2021
3:00 to 4:00 p.m.

Meeting Being Held at:

Naples Grande Beach Resort
475 Seagate Drive, Naples, FL

**Dial-in information: 407-404-7556 or 855-831-5534,
Access Code 13244#**

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Policy Makers Liaisons Committee

- Dan Robuck, Leesburg – Chair
- Robert Page, Green Cove Springs – Vice Chair
- Bil Spaude, Bushnell
- Kristine Petersen, Clewiston
- Rick Cochrane, Fort Meade
- Tom Perona, Fort Pierce
- George Forbes, Jacksonville Beach
- Robert Barrios, Key West
- Ethel Urbina, Kissimmee
- Rae Hemphill, Kissimmee, Alternate
- Bill Conrad, Newberry
- Brent Malever, Ocala
- Keith Trace, St. Cloud
- Scott Roberts, Starke

Community Power + Statewide Strength

MEMORANDUM

TO: Policy Makers Liaisons Committee
FROM: Mark McCain
DATE: July 13, 2021
RE: Policy Makers Liaisons Committee Meeting
Thursday, July 22, 2021, 3:00 p.m. to 4:00 p.m. [NOTE TIME]
PLACE: Naples Grande Beach Resort, 475 Seagate Dr., Naples, FL [NOTE PLACE]
TEAMS: **In-Person and Telephonic - 407-404-7556 or 855-831-5534, Conf. ID 13244#**,
(If you have trouble connecting, please call 407-355-7767)

Chair Dan Robuck, Presiding

The mission of the Committee is to facilitate the education of elected or appointed governing body members of FMPA's member utility systems, and to foster opportunities for greater communication and knowledge among governing body members regarding the business and projects of FMPA.

AGENDA

1. Call to Order, Roll Call, Declaration of Quorum
2. Set Agenda (by vote)
3. Consent Agenda
 - a. Approval of the Minutes for the Meeting Held April 14, 2021
4. Action Items
 - a. Election of Committee Officers (Mark McCain)
 - b. Approval of 2021-2022 Meeting Schedule (Mark McCain)
5. Report from the General Manager and CEO (Jacob Williams)
6. Information Items
 - a. Update on All-Requirements Project and Municipal Power Costs (Jacob Williams)
 - b. Electric Distribution Reliability Update (Cairo Vanegas)
 - c. APPA Climate Discussions and Comparison of Legislative Proposals (Jacob Williams)
7. Member Comments
8. Announcements
 - a. Next Meeting (if schedule approved): Wednesday, October 20, 2021 at FMPA, 8553 Commodity Circle, Orlando, FL
9. Adjourn

One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or 1-(888)-774-7606, at least two (2) business days in advance to make appropriate arrangements.

**QUORUM REQUIREMENT
(MAJORITY OF AVERAGE NUMBER OF MEMBERS PRESENT FROM LAST
4 PMLC MEETINGS)**

July 29, 2020 – 7 present

October 14, 2020 – 8 present

January 20, 2021 – 7 present

April 15, 2021 – 7 present

**AGENDA ITEM 1 - CALL TO ORDER,
ROLL CALL, DECLARATION OF
QUORUM**

**Policy Makers Liaisons Committee Meeting
July 22, 2021**

**AGENDA ITEM 2 – SET AGENDA (by
vote)**

**Policy Makers Liaisons Committee Meeting
July 22, 2021**

AGENDA ITEM 3 – CONSENT AGENDA

- a. Approval of Minutes for the Meetings
Held April 14, 2021**

**Policy Makers Liaisons Committee Meeting
July 22, 2021**

MINUTES
FMPA TELEPHONIC POLICY MAKERS LIAISONS COMMITTEE MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
DATE: WEDNESDAY, APRIL 14, 2021
TIME: 1:00 P.M.

**MEMBERS
PRESENT**

Bob Page, Green Cove Springs
George Forbes, Jacksonville Beach
Robert Barrios, Key West (via telephone)
Rae Hemphill, Kissimmee
Dan Robuck, Leesburg
Bill Conrad, Newberry (via telephone)
Keith Trace, St. Cloud

**OTHERS
PRESENT**

Jody Young, Bushnell

**STAFF
PRESENT**

Jacob Williams, General Manager & CEO
Ken Rutter, Chief Operating Officer
Mark McCain, Vice President of Member Services and
Public Relations
Jody Finklea, General Counsel & CLO
Dan O'Hagan, Asst. General Counsel & Regulatory
Compliance Counsel
Mike McCleary, Manager of Member Services
Cairo Vanegas, Manager of Member Services
Sue Utley, Executive Assistant to CEO / Asst. Secretary to Board
Susan Schumann, Public Relations and External Affairs
Manager

Item 1 – Call to Order, Roll Call, Declaration of Quorum

Chair Dan Robuck, called the meeting to order at 1:00 p.m. on Wednesday, April 14, 2021, at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. A roll call was taken and 7 members were present.

Item 2 – Set Agenda (By Vote)

MOTION: George Forbes, Jacksonville Beach, moved to set the agenda as presented. Bill Conrad, Newberry, seconded the motion. Motion carried 7 – 0

Item 3 – Consent Agenda

3a – Approval of the Minutes for the meeting held October 14, 2020

MOTION: George Forbes, Jacksonville Beach, moved approval of the Minutes of January 20, 2021. Bob Page, Green Cove Springs, seconded the motion. Motion carried 7 – 0.

Item 4 – Report from the General Manager

Jacob Williams reported on the year-to-date progress on the Goals Scorecard.

Item 5 – Information Items

- a. Lessons from the Texas Energy Crisis

Jacob Williams presented information on the energy crisis in Texas and the Midwest.

- b. Florida Legislative Update

Ryan Matthews, Peebles, Smith and Matthews, LLC, reported on what the upcoming issues are for public power in Florida.

- c. Estimated Impact of CLEAN Future Act in Congress

Jacob Williams and Navid Nowakhtar gave a presentation on the impacts of the CLEAN Future Act draft legislation in Congress.

- d. Follow Up from FMPA’s Strategic Planning Workshop

Jacob Williams reported the top five Board of Directors strategic priorities and the Executive Committee’s top three strategic priorities and next actions for both.

Item 6 – Member Comments

Dan Robuck, Leesburg, said there is money available from the Federal government for cities to add solar and car charging stations.

Item 7 – Announcements

- a. Next Meeting: Thursday, July 22, 2021 at the Naples Grande Beach Resort, 475 Seagate Drive, Naples, FL

Item 9 - Adjourn

There being no further business, the meeting was adjourned at 2:11 p.m.

Dan Robuck
Chairman

Sue Utley
Assistant Secretary

Date Approved _____

DR/su

AGENDA ITEM 4 – ACTION ITEMS

a. Election of Committee Officers

**Policy Makers Liaisons Committee Meeting
July 22, 2021**



4a – Election of Committee Officers

Policy Makers Liaisons Committee

July 22, 2021

Committee Charter Describes Officer Election Process

Nominations and Elections by the Committee from the Floor

- Committee elects two officer annually: Chair and Vice Chair
- Elections held every July or when there is a vacancy
- Officers serve until the next July election
- Nominations come from the Committee prior to an elective vote
- Quorum Requirement: Majority of appointed Liaisons (or their alternate) present in person or by electronic means
- Majority vote; one vote per city on the Committee

Current Officers as Elected in 2020

Existing Officers Willing to Serve Another Year, If Nominated

Current Officers Elected 2020

- Chair
Dan Robuck
City of Leesburg
- Vice Chair
Bob Page
City of Green Cove Springs

Nomination Considerations

- Historically, PMLC has maintained officers for at least two years to promote leadership continuity
- Both current officers willing to serve again, if nominated

Recommended Motions

- Nominate a Chair and Vice Chair
- Elect a Chair and Vice Chair

AGENDA ITEM 4 – ACTION ITEMS

**b. Approval of 2021-2022 Meeting
Schedule**

**Policy Makers Liaisons Committee Meeting
July 22, 2021**



4b – Approval of 2021-2022 Meeting Schedule

Policy Makers Liaisons Committee

July 22, 2021

Charter States PMLC Shall Meet at Least Annually

Historically, Committee Has Opted to Meet Quarterly

- Committee required to meet at least annually at FMEA Annual Conference
- Over the years, Committee has decided to meet quarterly
- Meetings typically held day before FMPA governing board meetings
- Policy Makers meet informally at noon for lunch
- Business meetings held starting at 1 p.m.

Recommended Meeting Schedule for 2020-2021

Meeting Dates Day Before FMPA Governing Board Meetings

- Wednesday, October 20, 2021
- Wednesday, January 19, 2022
- Wednesday, April 20, 2022
- At FMEA Annual Conference in July 2022 (TBD)

Recommended Motion

Move approval of the Policy Makers Liaisons Committee's meeting schedule for 2021-2022, as recommended.

**AGENDA ITEM 5 – REPORT FROM
THE GENERAL MANAGER**

**Policy Makers Liaisons Committee Meeting
July 22, 2021**

Fiscal 2021 Management Goals through June 30, 2021

| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|--|---------------------|----------|------------|------------|--------------|--|
| 1.Safety | Lost-time Accidents | 0 | 1 | 0 | 0 | No lost time accidents in June. |
| | OSHA Recordables | 0 | 1 | 0 | 0 | |
| 2.Compliance | Environmental | 0 | 0 | 0 | 0 | Potential CIP Self Report related to scanning external media |
| | Financial | 0 | 0 | 0 | 0 | |
| | Regulatory | 0 | 0 | 0 | 0 | |
| 3.Low Cost
(\$/MWh) | Under \$70/MWh | \$61.00* | \$70.13* | \$74.31 | < \$70.00 | * May 2021. June 2021 data will updated for the mtg. YTD May 2021 MWh sales 3.2% > budget. All-in Costs ~\$4 /MWh (6.0%) < YTD target due to O&M (9%), assigned project costs (10%), admin & gen.(11%) offset by net fuel costs (2%) > target. |
| | Fuel | \$25.67* | \$22.44* | \$22.19 | \$22.19 | |
| | Non-Fuel | \$35.33* | \$47.69* | \$52.12 | \$47.81 | |
| 4.Stanton I and Stanton II
Decision from OUC to reduce power costs and emissions | | | | | | Engineering design underway
Working with OUC on post conversion energy scheduling concepts
OUC recommendation on timing of conversion by September |

| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|-------------------|----------------------------------|--------|------------|------------|--------------|--|
| 5.Cyber Security | Breaches | 0 | 0 | 0 | 0 | |
| | Phishing tests | 2.7% | 3.8% | 5% or < | 5% or < | Two people clicked the email link this month and one of them entered their credentials into a fake Amazon webpage |
| | Member assessments | 0 | 2 | 3 | 5 | Seven assessments in progress |
| 6.Reliability | CC EAF | 99.8% | 92.2% | 88.5% | 90% | TCEC was in forced outage due to a mechanically bound CT #2 bearing blower diverter and associated switch failure. |
| | SI black start and trans. backup | 0 | 11 | 11 | 100% | |
| | SAIDI Reduction | 0 | 4 | 8 | 10 | |
| 7.Member Services | Leadership member visits | 3 | 61 | 56.25 | 75 | |
| | Projects managed for members | 2 | 14 | 15 | 20 | Clewiston system map, Starke power factor correction |
| 8.Value of Muni | Member info updates | 1 | 11 | 12 | 16 | Alachua, Bartow, Chattahoochee, FPUA, GCS, Havana, Jacksonville Beach, KUA, New Smyrna Beach, Ocala, Wauchula |
| | Presentations
Social media | 2 | 9 | 8 | 10 | Bartow, Chattahoochee, FPUA (7/19), KUA, Lake Worth, Leesburg, New Smyrna Beach (9/28), Newberry, Starke, Wauchula |

| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|--------------------------|--|--------|------------|------------|--------------|---|
| 9.Load Management | Dev. opportunities for 5 MW | 0 | 0 | | 5 | Visits underway with 13 ARP cities. Thus far 5 cities surveyed with potential for 2MW |
| 10.Financing | Restructure debt | 0 | 1 | 1 | 1 | Done |
| | Extend debt to include R&R funding | 0 | 0 | 0 | 1 | St. Lucie refi underway. Should select UW soon. NPV of 5% or greater expected |
| | Prepaid gas min. svgs. of \$0.20/mmBtu | 0 | 0 | 0 | 1 | Two transactions approved awaiting closure in June and summer only before EC in June |
| 11.Transmission | Neg. service upgrade for LWB & Homestead | | | | | LWB engineer work ongoing, Homestead development in progress |
| 12.People | 360 training for Leadership & mgmt. | 0 | 11 | 6.4 | 11 | All 11 Directors/Managers Completed |
| | Mgmt. outreach to diverse prof. groups | .5 | 2.5 | 1.5 | 3 | Jacob - AABE membership
Linda – NABA membership; contact at NSBE |
| | Individual development plans | 21 | 50 | 50 | 50 | Completed by March 31. Now follow-up on plans |
| | FMPA Fleet Team Sharing – Days | 0 | 131 | 75 | 100 | |

**AGENDA ITEM 6 – INFORMATION
ITEMS**

- a. Update on All-Requirements Project
and Municipal Power Costs**

**Policy Makers Liaisons Committee Meeting
July 22, 2021**



4a – Update on All-Requirement Project and Municipal Power Costs

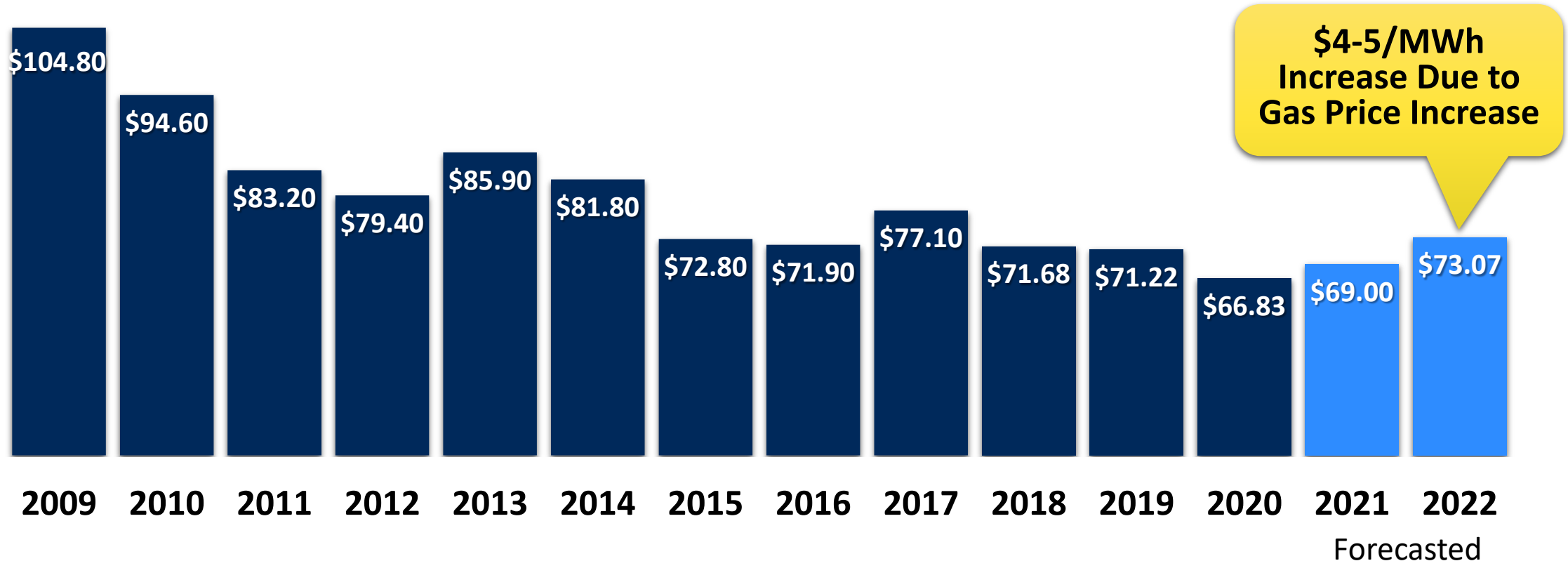
Policy Makers Liaisons Committee
July 22, 2021

FMPA's Power Costs Lowest Since 2004

36% Below 2009 Costs; \$220M Lower in Overall Costs in FY20

All-Requirements Project Power Costs

Average cost per 1,000 kWh billed by fiscal year, historic and forecasted



FMPA Focused on Reducing Controllable Costs

Recent Efforts to Save \$30.8M Annually, or ~\$5 per MWh

| Major Cost-Saving Efforts for Fiscal 2021 | Fiscal Year Savings |
|---|---------------------|
| Margin from off-system capacity and energy sales | \$12.8 million |
| Pre-paid natural gas and physical hedges | \$6.0 million |
| Debt financing for capital expenditures | \$4.0 million |
| Continued above average availability of combined cycles | \$8.0 million |

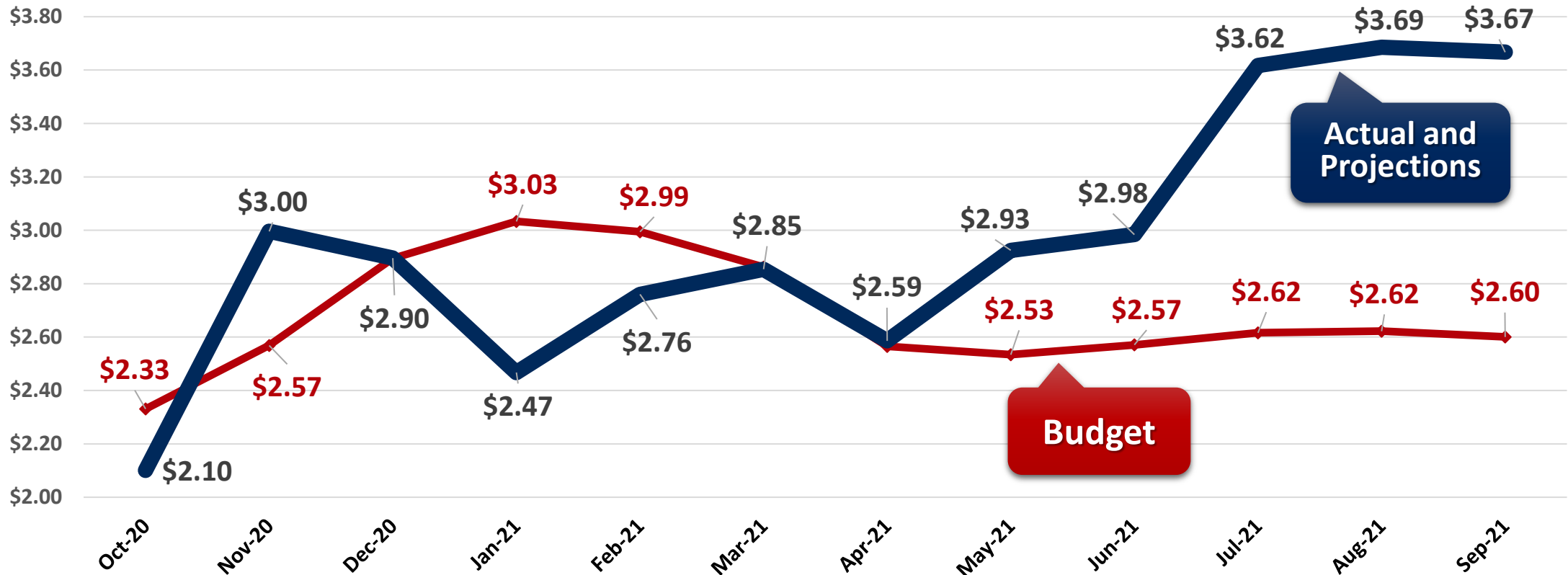
| Future Cost-Savings Efforts Underway | Potential Savings |
|---|-------------------------------|
| Stanton conversion from coal to natural gas | \$6-\$15 million ¹ |
| Continued above average availability of combined cycles | \$7.0 million |

Natural Gas Prices Rising Pressuring Power Cost

Wholesale Power Costs \$6-7/MWh Higher Due to Gas Prices

NYMEX Natural Gas Prices

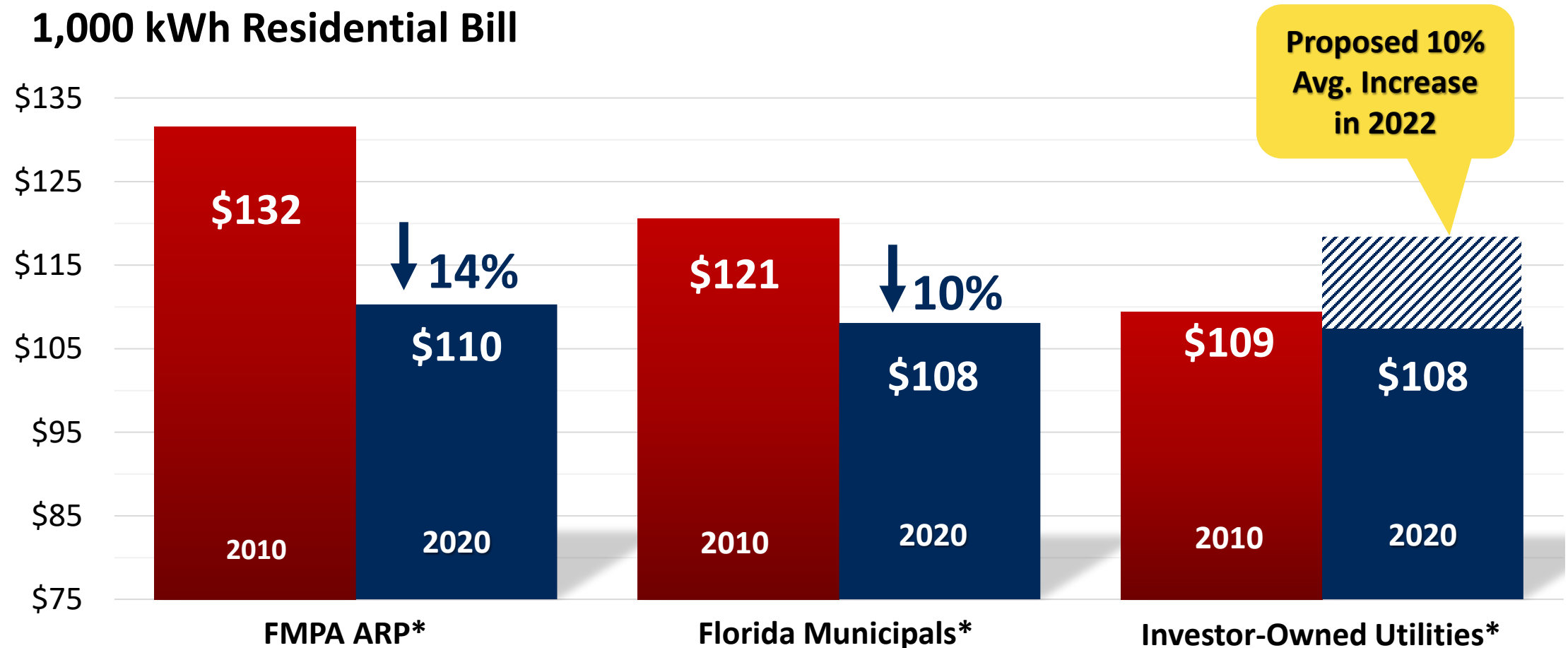
Price per MMBtu as of July 9, 2021, FMPA actual and projections



Average Municipal Retail Rates Competitive with IOUs

There's More to Do for All Municipals to Be Competitive Locally

1,000 kWh Residential Bill



Base Rates for Investor-Owned Utilities Going Up

Lowest IOUs Requested Rate Increases of 10-19% on 1/1/22

| Utility | Current Rate
1,000 kWh ¹ | Percent Increase in Residential Electric Rates
by Effective Date | | | | Return on
Equity |
|-----------------------------|--|---|--------|--------|--------|---------------------|
| | | 1/1/22 | 1/1/23 | 1/1/24 | 1/1/25 | |
| FPL ² | \$103.02 | 10.6% | 3.6% | 1.9% | 1.3% | 11.5% |
| Duke Florida ³ | \$127.36 | 3-4% | 1-2% | 1-2% | -- | 9.85% |
| Tampa Electric ⁴ | \$105.25 | 19.2% | TBD | TBD | -- | 10.75% |

1 [Florida PSC](#), Florida investor-owned electric utilities total cost for 1,000 kilowatt hours residential service, May 1, 2021, through December 31, 2021

2 [News Service of Florida](#), FPL's proposed rate increases and ROE are subject to approval by the Florida Public Service Commission.

3 [Florida PSC Approves Duke Energy Florida Rates Through 2024](#). The rate increases are in ranges because caveats in the approved rates, such as federal and/or state income-tax changes, could alter the increases.

4 [News Service of Florida](#), Tampa Electric's proposed rate increases and ROE are subject to approval by the Florida Public Service Commission.

**AGENDA ITEM 6 – INFORMATION
ITEMS**

b. Electric Distribution Reliability Update

**Policy Makers Liaisons Committee Meeting
July 22, 2021**



6b – Electric Distribution Reliability Update

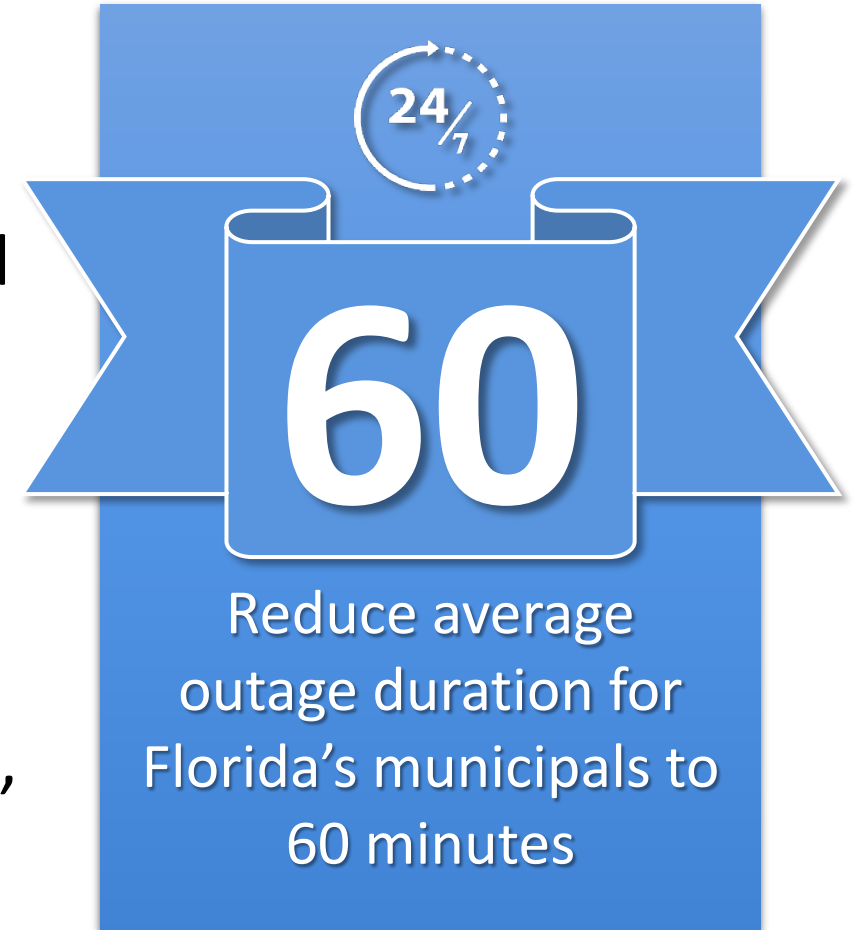
Policy Makers Liaisons Committee

July 22, 2021

Helping Members Enhance Reliability to Customers

Investment Needed in Electric System to Improve Performance

- Customers expect more reliable power
- Investor-owned utilities (IOUs) are making system investments and setting new standard for reliability
- Some municipals perform excellent in reliability but performance on some indices varies widely
- As municipal rates become more competitive, need to invest back in systems



24/7

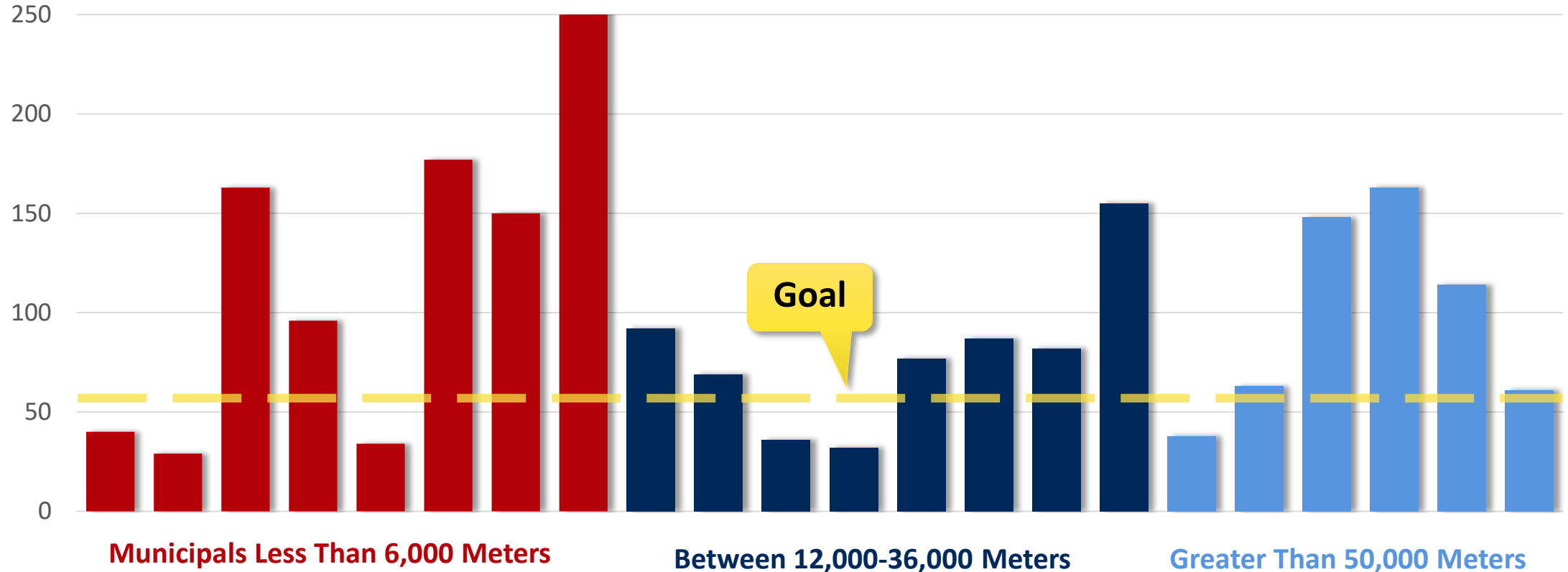
60

Reduce average outage duration for Florida's municipals to 60 minutes

Municipal Reliability Performance Varies Widely

Effort Required to Meet SAIDI Goal of 60 Minutes

Average Outage Duration (SAIDI) for Municipals That Provide Data to FMPA
In minutes for FY 2020

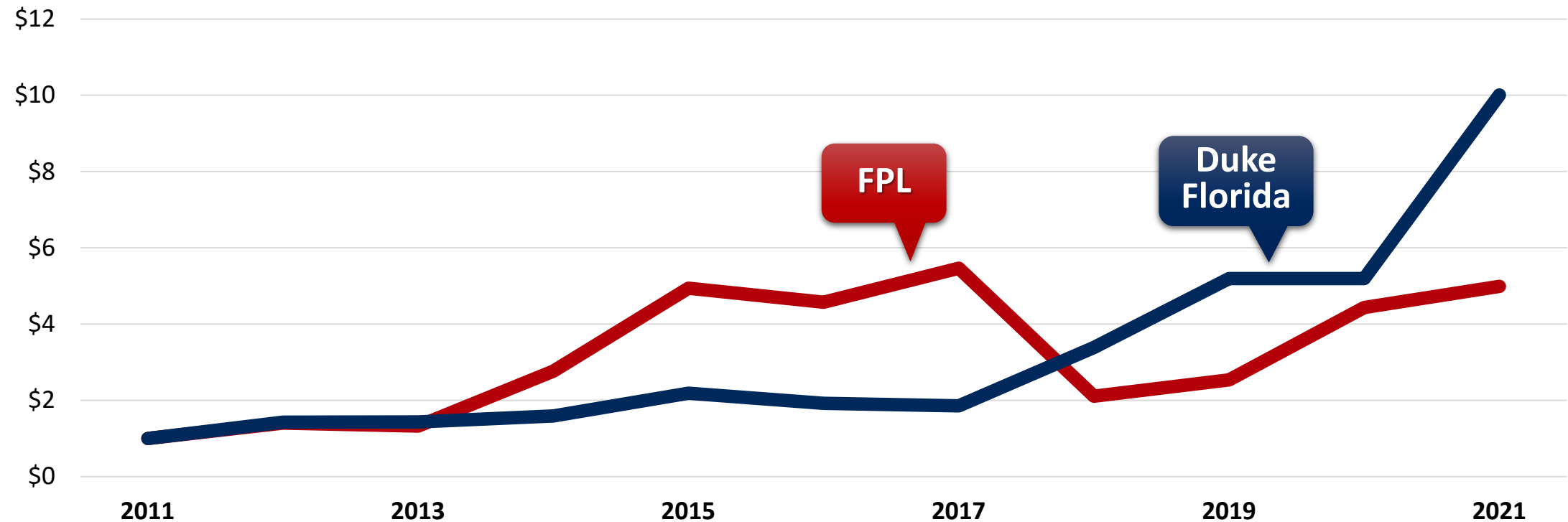


IOU Spend on Reliability Up ~4-10 Times Since 2011

Reinvestment in the System Impacts Reliability Performance

Investor-Owned Utility (IOU) Spending on Reliability

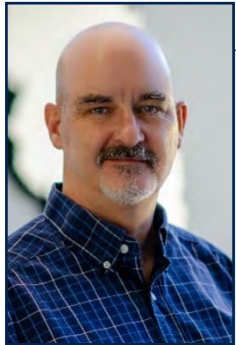
Dollar increases from base year of 2011



SOURCE: Distribution Reliability Report filed with Florida Public Service Commission

FMPA Has a Team of Experts to Provide Assistance

Recently Added Alan to the Team to Support This Initiative



Alan O'Heron, P.E.

Engineer, 33 years of substation design and operations experience



Cairo Vanegas

Engineer, 23 years of experience in T&D operations and engineering



Mike McCleary

Former lineman and senior manager with 39 years operational experience



Sharon Samuels

23 years experience administrating FMPA's contract products & services

Conclusion: Focus Needed to Improve Reliability

As Wholesale Costs Come Down, Need to Invest in Systems

- IOUs investing in their systems are achieving best-ever performance
- Municipals of all sizes need to focus on reliability. If we don't improve, we risk falling behind
- Municipal investment on maintenance and system improvements required to reverse the trends
- FMPA offers subject-matter experts and an array of contract services to support munis with reliability best practices

**AGENDA ITEM 6 – INFORMATION
ITEMS**

**c. APPA Climate Discussions and
Comparison of Legislative Proposals**

**Policy Makers Liaisons Committee Meeting
July 22, 2021**



6c – APPA Climate Discussions and Comparison of Legislative Proposals

Policy Makers Liaisons Committee

July 21, 2021

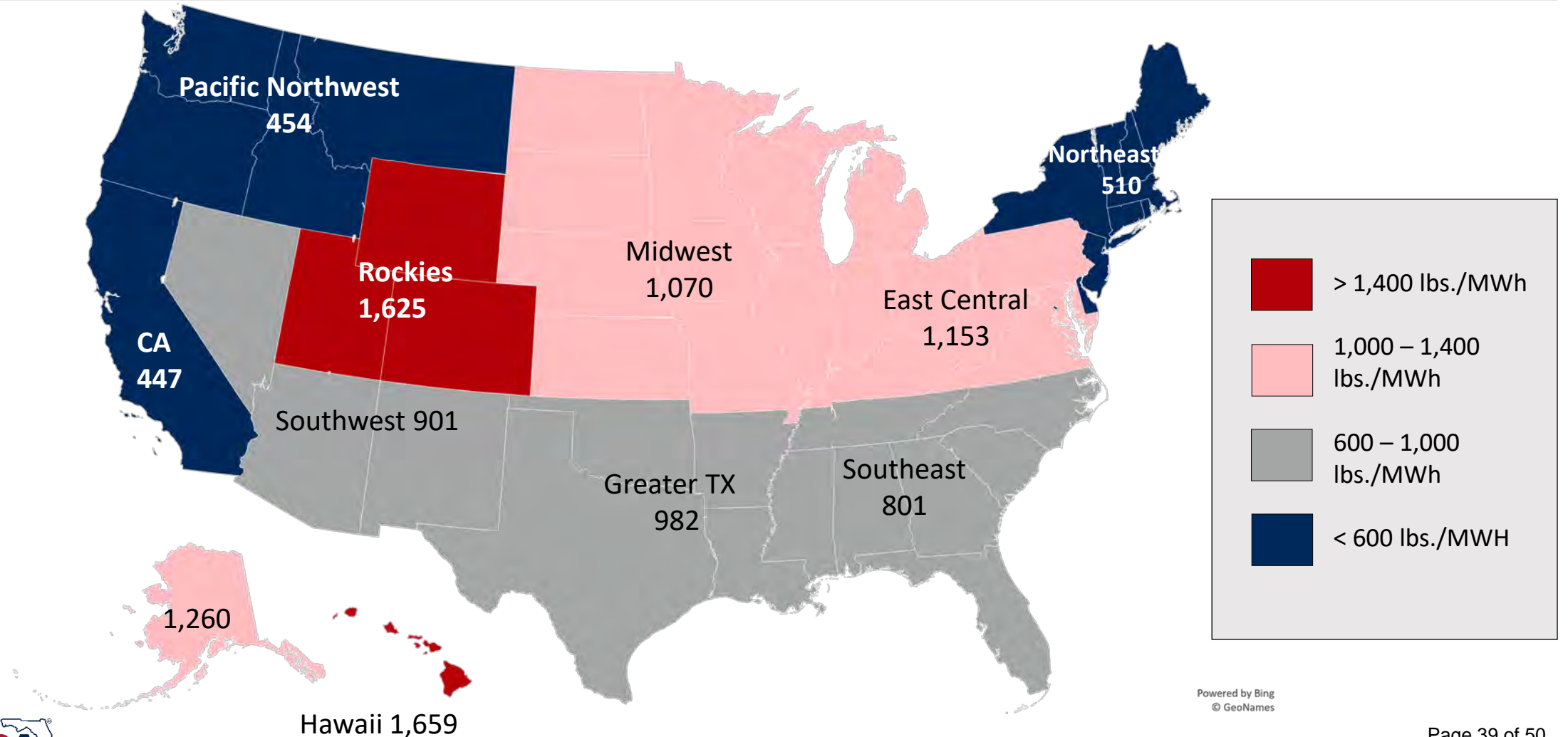
Climate Legislation a Top Priority for Administration

APPA Developing Climate Position to Participate in Discussions

- Climate legislation a top priority of administration - First Executive Order was Keystone Pipeline
- Administration called for electric sector to have net-zero carbon emissions by 2035
- APPA engaged Climate Task Force of CEOs from ~30 joint action agencies and large public power utilities to update the APPA position
- Task force wrapping up six-month effort for presentation to APPA Board in July
- Differences in generation mix, access to renewables and energy usage guided conversations around the need to balance emission reductions and have affordable, reliable power
- APPA position to help influence legislative proposals in coming months
- Two proposals (CLEAN Future Act and DeGette) represent range of alternatives with significantly different impacts to Florida customers (200%–300% increase to consumers vs. 25%–40%)

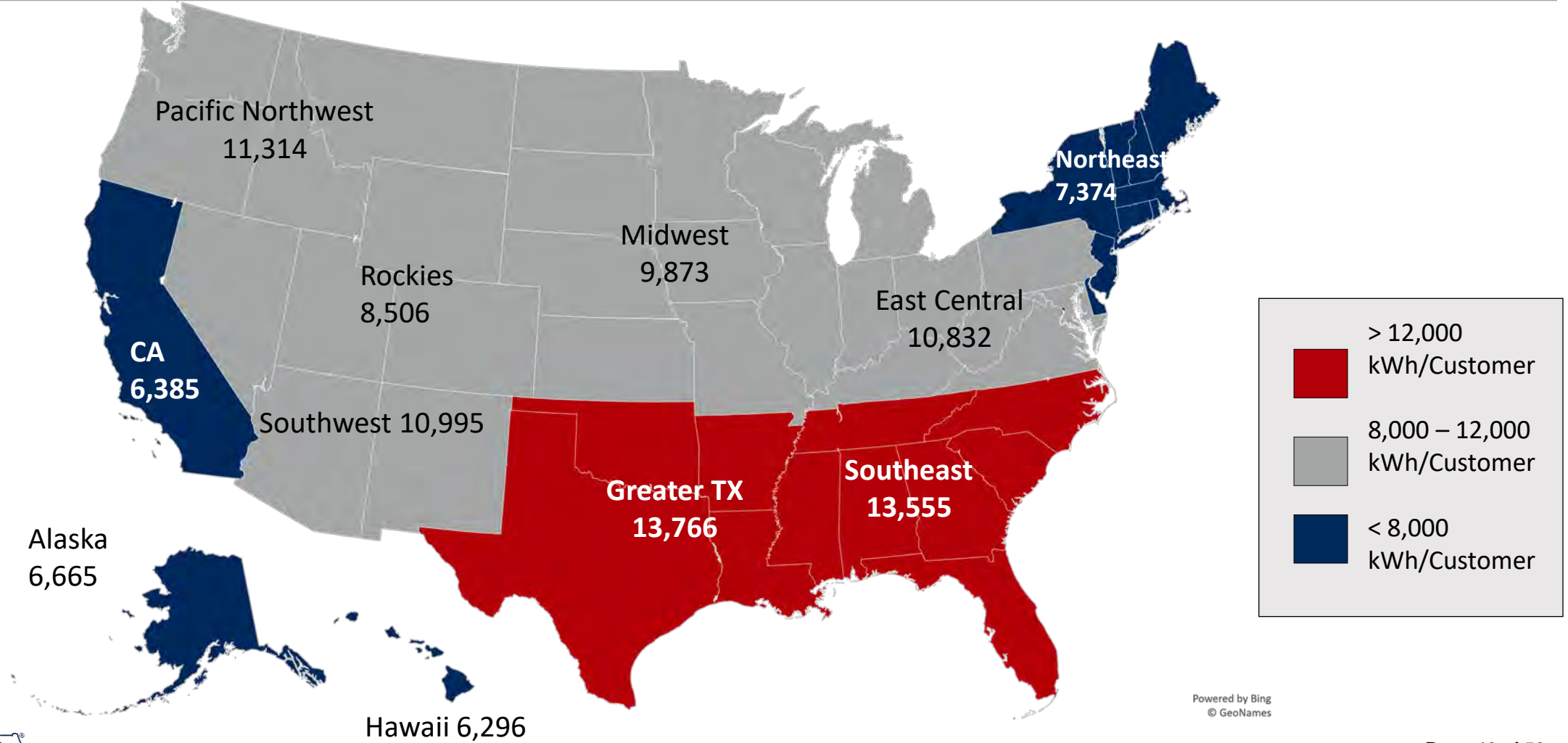
U.S. Regional Electric Generation CO₂ Emissions (lbs./MWh)

Emissions Driven in Part by Access to Natural Resources



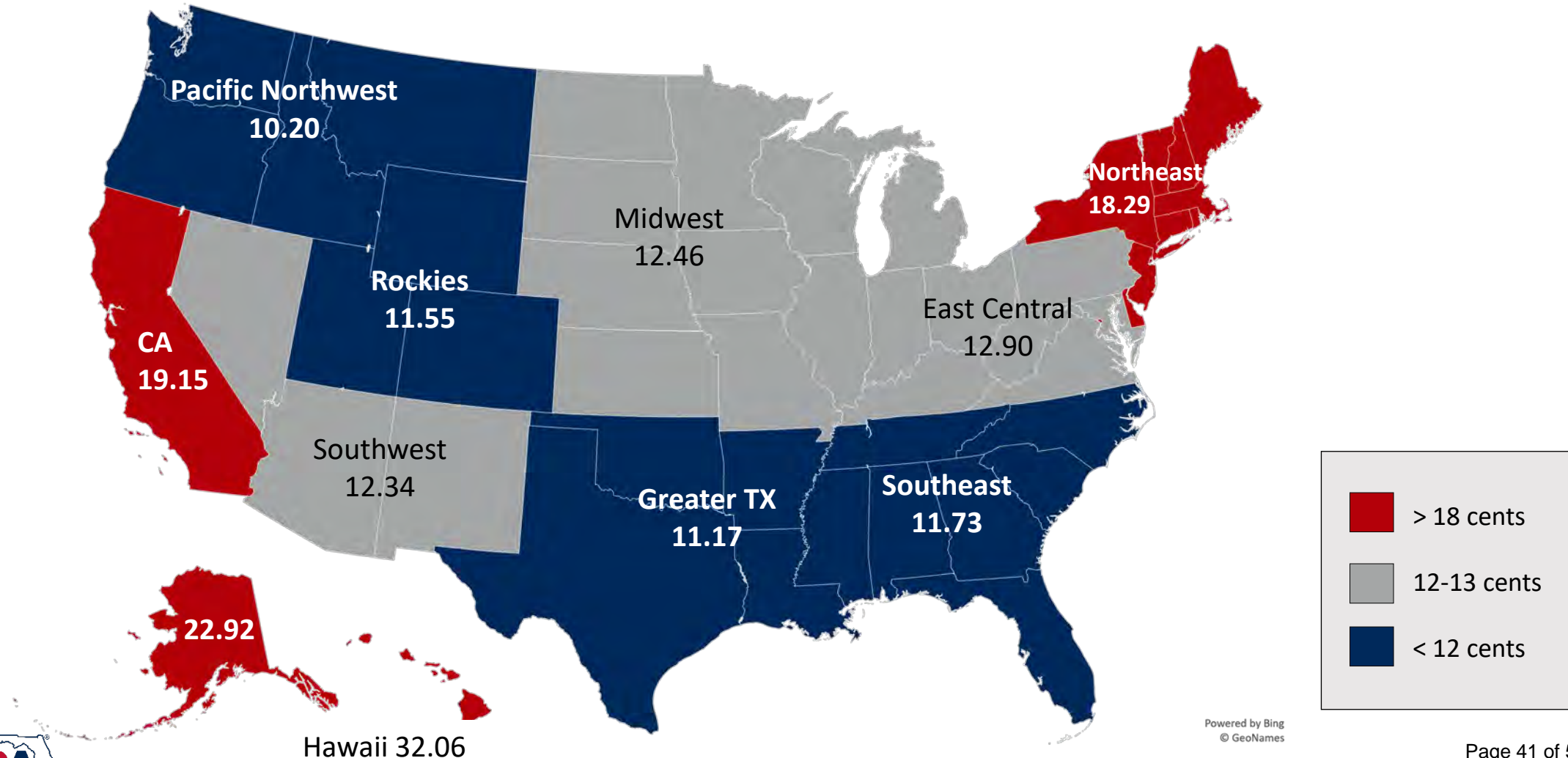
U.S. Residential Customer Consumption (kWh/Cust.)

Significant Difference in Usage Driven by Air Conditioning



U.S. Average Residential Retail Price (cents/kWh)

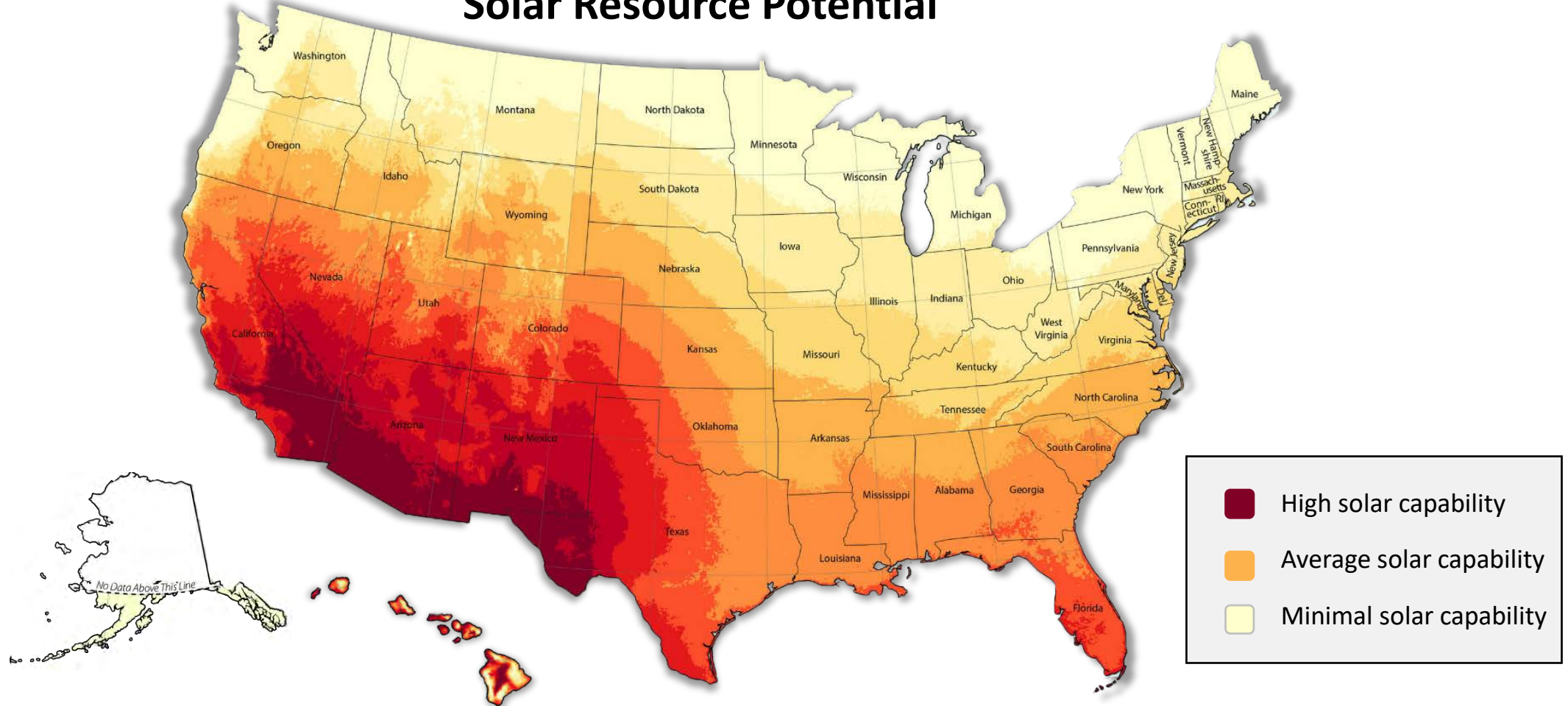
Higher Consumption Regions Tend to Have Lower Prices



U.S. Solar Capability Predominate in SW, SE

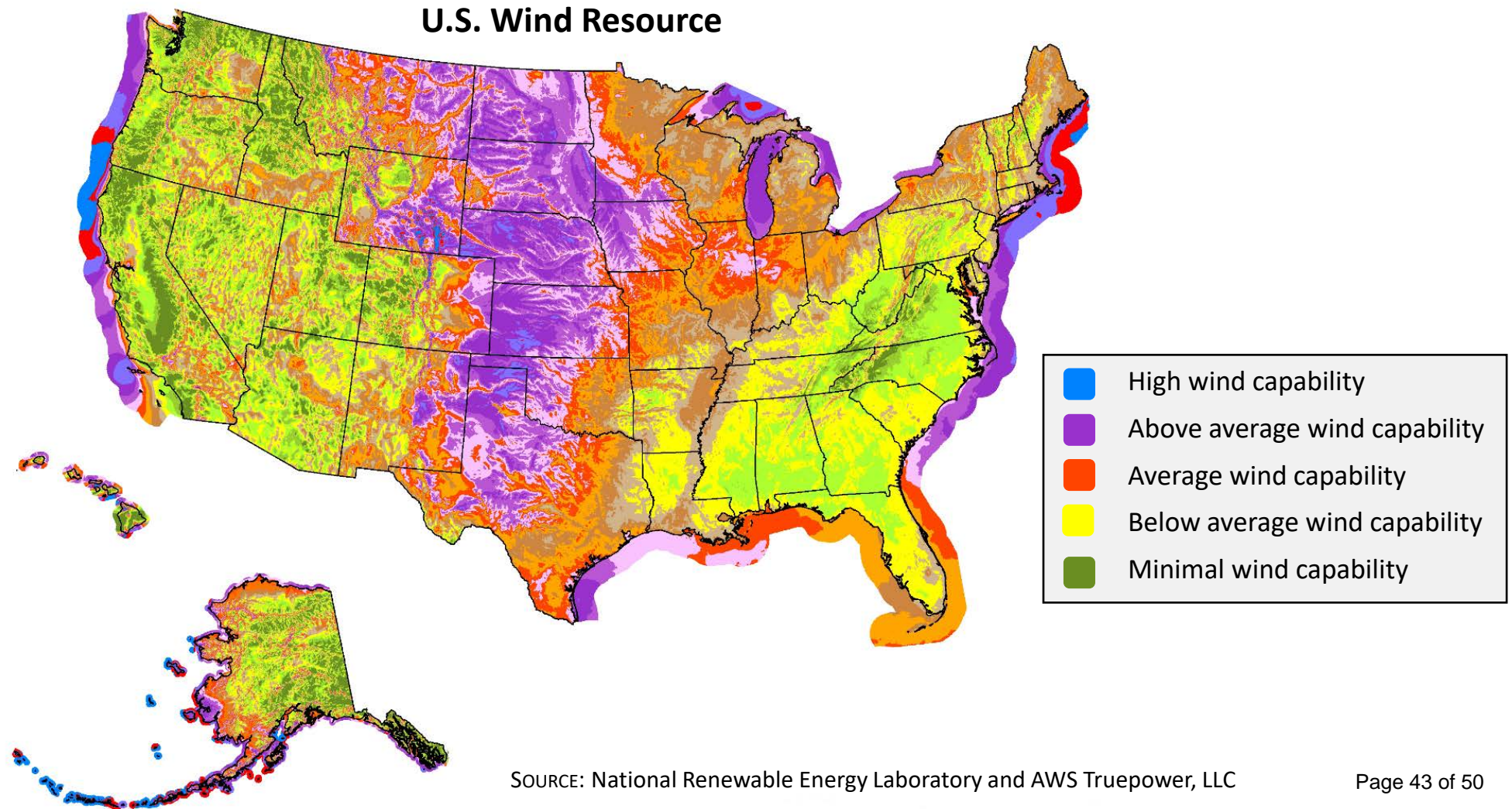
Solar Much More Unreliable Even in Florida, North Limited

Solar Resource Potential



U.S. Wind Access Strong in Middle U.S.

Very Limited in Most of Eastern U.S.



FMPA Input into APPA Draft Climate Position

Balance Emission Reductions with Power Costs and Reliability

- Few public power utilities could meet net-zero emission goals by 2035, majority cannot cost-effectively meet goal until ~2050 – similar to IOUs
- CO₂ emission reduction legislation must keep power supply reliable and affordable and have provisions if power costs rise too much in a region
 - APPA recognizes significant rate increases disproportionately hurt fixed and low-income customers
- To meet CO₂ reduction goals, new technologies must be developed and be cost effective to ensure affordable and reliable power
- Ensure cost-effective dispatchable resources remain available to serve loads until energy storage technology is commercially developed and cost effective to ensure grid reliability and rate affordability
- Significant nationwide research and development budget is required to develop these new technologies
- Significant transmission additions needed in U.S.; Federal siting authority needed for multi-state projects
- Numerous federal agencies including DOE, EPA, FERC and NERC must work together to implement, monitor cost and reliability impacts of such legislation and should report impacts to Congress every five years

Legislative Proposals Differ in Process and Impact

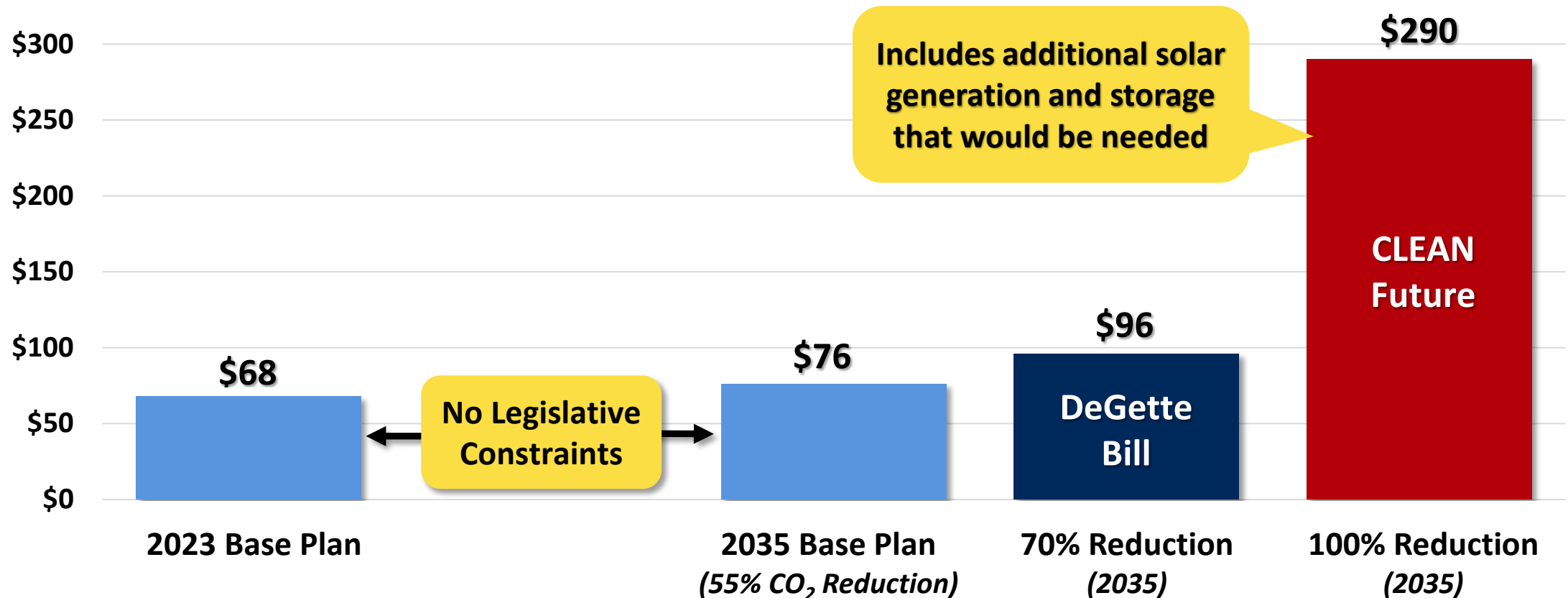
Florida Customers Could See Significant Rate Increases

| CLEAN Future Act | DeGette Bill |
|--|--|
| Net-zero by 2035 | Net-zero by 2050 – smoother path to goal |
| Alternative emission payments escalated by fixed-amount plus inflation | Alternative emission payments escalated at lower fixed-rate and no inflation |
| No rate protection mechanism for 2035 and beyond | Continued rate protection mechanism through 2050 |
| Florida costs increase 200% – 300% above baseline by 2035 | Florida costs increase 25% – 40% above baseline by 2035 |

ARP Avoids Penalties Through '35 Under DeGette Bill

Lack of Penalties Keep Rates Lower on Path to 2050

Estimated ARP Wholesale Power Rate* (\$/MWh)



Florida Response to Alternatives Would Differ

Pace of Investment Could Crowd Out Future Viable Technology

| CLEAN Future Act | DeGette Bill |
|---|--|
| Significant overbuild on solar and storage – 10 X current Florida capacity | Slower solar build, time for storage gains |
| Many multiples of new transmission need permitting and new construction | Transmission additions at a pace similar to today's level |
| Customer cost burden ramps significantly through 2035 | Continued rate protection mechanism through 2050 minimizes increases |
| Limited time for alternative tech (e.g., clean hydrogen) to become low cost | Smoother transition operationally with open-ended approach to new tech |

AGENDA ITEM 7 – MEMBER COMMENTS

**Policy Makers Liaisons Committee Meeting
July 22, 2021**

AGENDA ITEM 8 – ANNOUNCEMENTS

- a. Next Meeting: Wednesday, October 20, 2021
at FMPA, 8553 Commodity Circle, Orlando,
FL**

**Policy Makers Liaisons Committee Meeting
July 22, 2021**

AGENDA ITEM 9 – ADJOURN

**Policy Makers Liaisons Committee Meeting
July 22, 2021**