

## **Facility Construction Agreement for New Interconnection Project**

This Facility Construction Agreement (“Agreement”) is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2022, between Florida Power & Light Company (“FPL”) and City of Lake Worth Beach, Florida (“LWB” or “LWU”) and, together with FPL referred herein as the “Parties” and sets forth the agreement between the Parties concerning the construction work to be performed by the Parties to establish a new interconnection between FPL’s transmission system, by FPL extending its integrated transmission system to a certain point of interconnection at LWB’s Canal Substation, and by LWB extending its transmission system to the same certain point of interconnection with FPL, and referred to herein as the “Project”.

### **RECITALS**

**WHEREAS**, FPL is an investor-owned electric utility that owns and operates electric generation, transmission and distribution facilities in portions of the State of Florida and Georgia; and

**WHEREAS**, LWB is a Florida municipality operating its own electric utility with electric generation, transmission, and distribution facilities in portions of the State of Florida; and

**WHEREAS**, the Parties entered into a Letter of Intent (“LOI”) dated October 1, 2020 expressing their mutual intent to complete the Project, including the use of reasonable best efforts to achieve the completion, execution, and delivery of certain agreements related to the Project (“Definitive Agreements”); and

**WHEREAS**, the Parties entered into a Scheduling Document for FPL Intertie at Canal Substation (“Scheduling Document”) dated January 28, 2021 confirming the understanding between FPL and LWB regarding the new proposed intertie. This Scheduling Document included an original proposed in-service date for the Intertie Facilities of December 1, 2022. This was subsequently amended to an in-service date of December 1, 2023, as set forth in Exhibit B, which may be amended by the parties as set forth herein; and

**WHEREAS**, the Parties are also parties to a Contract for Interconnected Operations (“CIO”), dated December 3, 2013, which provides at Section 4.1.1 that, “[t]o the extent that the Parties agree to modify, add, or delete any Interconnection Facilities, the Parties will enter into a construction agreement setting forth the obligations to construct or remove facilities.” When used in this Construction Agreement, terms with initial capitalization that are not defined in this Agreement shall have the meanings specified in the CIO; and

**WHEREAS**, the Parties wish to memorialize their construction responsibilities with respect to the Project, as contemplated in the LOI, and as required by the CIO, in this Agreement.

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, the sufficiency of which is acknowledged by both Parties, the Parties agree as follows:

1. The purpose of this Agreement is to establish terms and conditions for work on the Project, including each Party's responsibility for constructing the new facilities comprising the Project and the intended schedule for completion of construction activities, as set forth in Exhibit B (including Appendix D to Exhibit B), as such exhibit and appendix shall be amended from time to time by mutual agreement of the Parties (the "Work"). Subject to the other terms and conditions of this Agreement, FPL shall perform all of its obligations hereunder and provide for the completion of all of its portions of the Work on a mutually agreed schedule with LWB, and LWB shall perform all of its obligations hereunder and provide for the completion of all of its portions of the Work on a mutually agreed schedule with FPL, both as shown in Appendix D.
2. The Parties acknowledge that Exhibit A of this Agreement, which identifies the new certain point of interconnection that will be established upon completion of the Project (where LWB's transmission system interconnects with the integrated transmission system of FPL), will be filed by FPL as a new Appendix to the CIO with the Federal Energy Regulatory Commission ("FERC") pursuant to Section 205 of the Federal Power Act. As requested by FPL, LWB will intervene in the applicable FERC docket in support of the filing. If Exhibit A is not accepted or approved by FERC in substantially the same form as filed, the Parties agree to pursue mutually acceptable modifications to Exhibit A.
3. LWB shall have the right to terminate this Agreement for convenience with five (5) days' notice to FPL. FPL has the right to terminate this Agreement upon breach by LWB that is not cured within ninety (90) days (or, if such cure cannot be completed within 90 days, that LWB has not presented a plan reasonably acceptable to FPL for its cure and begun its cure efforts under that plan within 90 days). FPL may also terminate this Agreement if LWB communicates that the Project is no longer needed or desired by LWB. LWB is responsible for all costs incurred by FPL under this Agreement prior to a termination by LWB for convenience or pursuant to the previous sentence. FPL shall use reasonable efforts to mitigate any termination expenses and/or cancellation costs it incurs. If not earlier terminated by either Party, this Agreement shall remain in effect until the Project has been completed and all of the Work and other obligations of the Parties has been performed in accordance with the terms of this Agreement. Notwithstanding the foregoing sentence, neither Party hereby waives its rights after the apparent completion of the Work to bring a claim against the other Party for defects, deficiencies, failures, inadequacies, or other issues with the Work, to the extent a Party is impacted thereby.
4. The Parties shall share with one another or otherwise provide all information among themselves that is reasonably requested and necessary for each Party to perform its portions of the Work and to otherwise perform its obligations specified under this Agreement. The Work shall be completed consistent with applicable safety and/or engineering codes, and comply with Good Utility Practice, and further, shall comply with applicable laws and regulations. If either Party reasonably determines that a material change(s) to the Work is necessary, including through unforeseen conditions, the Parties shall discuss the impact of such material change(s) and, if deemed necessary by either Party, amend the schedule accordingly. Either Party may in its sole discretion cease work while the Parties address the impact of a material change(s) to the Work. As used herein, "Good Utility Practice" shall mean any of the practices, methods and acts

engaged in or approved by a significant portion of the Florida electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in Florida for coastal regions. Good Utility Practice shall include, but not be limited to, compliance with applicable laws and regulations, applicable standards, the National Electric Safety Code, and the National Electrical Code, as they may be amended from time to time, including the criteria, rules and standards of any successor organizations.

5. No: (i) action (e.g., technical review or evaluation, or review of records) or inaction (e.g., failure to assess any portion of any activities to be undertaken by either Party); or (ii) statement, representation, or failure to speak, express or implied, at any time during the term of this Agreement: (a) is an endorsement of any design, fitness, construction, operation, or maintenance to be undertaken by the other Party; (b) is a warranty, representation, assurance, or guarantee of safety, durability, suitability, or reliability or of any associated control, protective, or safety device owned or controlled by the other Party; (c) makes a Party responsible for the facilities of the other Party, including the cost of such facilities; (d) relieves a Party of its exclusive responsibility for operation and maintenance of its own facilities, unless otherwise expressly addressed in a written and signed agreement between the Parties; or (e) relieves a Party of exclusive liability for injury, death, or damage arising from its own action or inaction; provided, however, that nothing in this Agreement is intended, nor may it be construed, to constitute or effect a waiver of any rights to sovereign immunity protections that either party may have under Florida law, including common law sovereign immunity protections, rights, and the damages cap provided for in section 768.28, Florida Statutes.

6. All notices, statements, requests or other communications required under this Agreement will be in writing and deemed delivered (i) if delivered in person or by courier, upon receipt by the intended recipient or upon date of delivery as confirmed by courier's records (ii) if marked, upon the date of delivery as shown by the return receipt therefor; or (iii) if delivered by a nationally recognized mail delivery service, upon the date of delivery. Notices must be sent to the following addresses:

If to FPL:

Florida Power and Light Company  
4200 West Flagler Street  
Miami, FL 33134  
Attn: Senior Manager, Transmission Services

If to LWB:

City of Lake Worth Beach  
1900 2<sup>nd</sup> Avenue North

Lake Worth Beach, Florida 33461  
Attn: Edward A. Liberty; Electric Utility Director

A Party may at any time designate different or additional persons or different addresses for giving of notices, demands or requests.

7. No Party shall be considered in breach of this Agreement if its failure to discharge an obligation hereunder is due to a Force Majeure Event. A "Force Majeure Event" shall mean any cause beyond the reasonable control of a Party, including an act of God; labor disturbance; pandemic or epidemic; act of the public enemy, war, insurrection, or riot; fire, storm, or flood; explosion or breakage or accident to machinery or equipment; or order, regulation, or restriction imposed by governmental, military, or lawfully-established civilian authority. A Force Majeure Event does not include an act of negligence or intentional wrongdoing. A Party claiming Force Majeure (the "Impacted Party") shall promptly notify the other Party, either in writing or via phone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the Force Majeure Event, its expected duration, and the steps the Impacted Party is taking to mitigate the effects. Until the event ends, the Impacted Party must keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event. The Impacted Party may suspend or modify its Agreement performance (other than any payment obligation) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of its reasonable efforts.

8. In no event shall any Party be liable to any other Party under any provision of this Agreement for any special, indirect, incidental, or consequential losses, damages, costs or expenses, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

9. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO.

10. To the fullest extent allowed by applicable law, each Party ("Indemnifying Party") shall indemnify, release, hold harmless, and, at the other Party's request, defend such other Party from or against a claim caused by, arising out of, or related to a negligent act or negligent omission by the Indemnifying Party related to this Agreement. Nothing in this Agreement shall be construed as either Party's agreement or consent to indemnify, release, hold harmless, or defend the other Party for its own negligent acts or negligent omissions. The Parties hereby agree that the nature of the Work, and its importance for the electric system reliability and resiliency in the City of Lake Worth Beach, Florida and the electric utility customers of the LWB electric utility is of a special, unique and unusual character and that breach of FPL's obligations or duties under this

Agreement may not be reasonably or adequately compensated for in damages in an action at law. Accordingly, LWB shall be entitled to injunctive and equitable relief for such breach, including specific performance, in addition to any other rights or remedies LWB may have at law, in equity, or pursuant to this Agreement.

11. Nothing in this Agreement shall prevent a Party from utilizing the services of contractors or subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its contractors and subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of all such contractors and subcontractors. Each Party's contractors and subcontractors utilized in performance of the Work shall be required to maintain appropriate levels of insurance for the Work performed and include the Parties as additional insured on all general liability and auto liability policies.

12. Each Party represents and warrants that it has full power and authority to enter into this Agreement. The person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter into this Agreement.

13. Florida law governs all matters, including torts, arising under, or relating to execution, interpretation, performance, or enforcement of, this Agreement, without regard to choice of law principles. The Parties will resolve any Claim or dispute in a state or federal court sitting in Palm Beach County, Florida. The Parties hereby consent to exclusive jurisdiction and venue in these courts and, to the fullest extent allowed by applicable law, waive any objection to this jurisdiction or venue, subject to any venue privilege provided by Florida law. This Agreement is subject to all applicable laws and regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any law, order, or regulation of a governmental authority.

14. There are no third party beneficiaries to this Agreement.

15. In the event of any claim or dispute arising out of this Agreement, the prevailing party in such litigation shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees and court costs, including, without limitation, all such fees and costs incurred on appeals, in bankruptcy proceedings and in post-judgment collection proceedings.

**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**  
**SIGNATURE PAGE FOLLOWS**

THIS FACILITY CONSTRUCTION AGREEMENT FOR NEW INTERCONNECTION PROJECT IS ENTERED INTO BY THE AUTHORIZED REPRESENTATIVES OF THE PARTIES WHOSE SIGNATURES ARE SET FORTH BELOW.

FLORIDA POWER & LIGHT COMPANY

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY OF LAKE WORTH BEACH, FLORIDA**

By: \_\_\_\_\_  
BETTY RESCH, MAYOR

ATTEST:

By: \_\_\_\_\_  
Melissa Ann Coyne, City Clerk

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

By: \_\_\_\_\_  
Glen J. Torcivia, City Attorney

APPROVED FOR FINANCIAL  
SUFFICIENCY

By: \_\_\_\_\_  
Bruce T. Miller, Financial Services Director

**Exhibit A**  
**Canal Substation Interconnection Facilities**

1) Osborne-Canal and Ranch-Canal ties:

- a. Loop-in the new City of Lake Worth Beach Canal Substation on what is currently the Osborne - Ranch 138kV line, Greenacres-Osborne line section.
- b. FPL shall own and maintain the portions of the Osborne-Canal and Ranch-Canal 138 kV transmission lines up to and including the line insulators attached to the substation structure at Canal Substation. LWU shall own and maintain all the facilities at the Canal Substation except FPL's RTU, which will be maintained by FPL at FPL's expense.
- c. **Point of Interconnection:** The Point of Interconnection will be at the substation structures at Canal Substation. FPL will own the new transmission line from FPL's transmission system up to and including the first insulator at the pull off tower inside of Canal Substation

d. **General Characteristics at the Point of Interconnection**

The general electrical characteristics at the interconnection point are as follows:

Nominal Voltage:	138 kV
Rated Frequency:	60.00 Hz
Circuit #1:	287 MVA, (1905Amps)
FPL Conductor:	1431 ACSR/AZ @ 115C
Circuit #2:	287 MVA, (1260Amps)
FPL Conductor:	1431 ACSR/AZ @ 115C

This is what FPL is designing for; however, the new Transmission Line will not be rated at 1905A due to limiting factors on existing Line.

- e. **Point of Change of Ownership:** The Point of Change of Ownership will be at the Point of Interconnection.
- f. **System Protection Equipment:**
  - i. Normal "Maintenance of Structures" at Canal Substation will be performed by LWU. Such maintenance shall be performed in accordance with the manufacturers' recommendations, and in accordance with good modern generally accepted utility practice. Upon request, LWU shall provide FPL copies of appropriate maintenance and repair records.
  - ii. FPL shall have the right of access to Canal Substation at any time for the purpose of installing, maintaining, repairing, inspecting, testing, emergency switching or operating any FPL equipment. LWU shall provide FPL a key to Canal Substation or whatever else is necessary to allow access to the Canal Substation yard and control house.
  - iii. FPL shall have the right to review construction plans for any future alterations or additions to the configuration or operation of Canal Substation, prior to LWU's implementation of such plans. LWU will conform with any reasonable recommendations by FPL to modify the construction plans so long as these recommendations conform to standards consistent with good utility practice.

**g. Data Acquisition Equipment**

- i. Data Acquisition Equipment – Each Party will own its own Data Acquisition Equipment within LWU’s Canal Substation. Each Party will be responsible for its respective Data Acquisition Equipment and maintenance located at LWU’s Canal Substation. LWU will make space available for FPL’s Data Acquisition Equipment inside LWU’s Canal Substation. Such responsibility will include all studies required for installation and maintenance of such Data Acquisition Equipment.
- ii. Data Points List – The list of data points shall be agreed to by the Operating Committee, but shall at least consist of real time MWs, MVARs, line current, line breaker(s) status, and bus voltage.

**h. Tie Metering Equipment**

- i. Metering and telemetering equipment will be located at LWU’s Canal Substation and shall be owned and maintained by LWU. Additional metering and telemetering equipment will be located as necessary to measure any generation resource located on the LWU side of the interconnection point and will be owned and maintained by LWU. LWU is responsible for the RTU’s as well as the operation and maintenance of any related communications.

**i. Control of Breakers at Canal**

- i. FPL will have exclusive operational control of the 138 kV circuit breaker and supervisory control equipment associated with FPL’s two transmission lines at Canal Substation and normal operational control of all other 138 kV breakers in the 138 kV section. However, in the event of an emergency, LWU may operate any of the breakers under the direction of FPL’s Division Load Dispatcher.

**j. Miscellaneous Provisions**

- i. Routine inspections and “Maintenance of Station Equipment” for the facilities owned by LWU at Canal Substation may be performed for LWU by FPL, upon written request, in accordance with FPL’s regular procedures and practices. LWU shall reimburse FPL for all of the costs incurred in rendering such inspection and maintenance service including all regular as well as extraordinary maintenance expenses for renewals and replacements of property units. Charges for routine inspection and minor maintenance expenses shall be recorded through an annual blanket jobbing account with billings rendered only for those months when such work is performed. Charges for major maintenance through individual specific jobbing accounts subject to prior written approval by LWU’s representative, except in an emergency, in which event FPL shall obtain oral approval from LWU’s representative to be later confirmed in writing. Payment for such expenses shall be made in accordance with FPL’s regular procedures and practices.
- ii. Lake Worth agrees that it will not seek Network Credits under FPL’s Open Access Transmission Tariff for any facilities associated with the construction or any existing facilities on Lake Worth’s system, as a result of the Canal Substation Interconnection.

## **Exhibit B**

### **Scope of Work**

#### **Project Scope**

Loop-in the new City of Lake Worth Beach (LWU) Canal substation on what is currently the Osborne - Ranch 138kV line, Greenacres-Osborne line section. This is to provide another transmission tie between Florida Power and Light and the City of Lake Worth Beach Electric Utility transmission system to complement the existing tie at Hypoluxo.

The point of change of ownership between FPL and LWU will be at the substation structures at Canal Substation, as described in Exhibit A. The City of Lake Worth Beach will construct facilities at the Canal Substation and surrounding property to accept the lines.

#### **TRANSMISSION**

##### **FPL**

Connect the existing Greenacres-Osborne 138kV line section into LWU Canal Substation.

Proposed routing of line in Appendix A. New conductor to be 1431 ACSR/AZ with 7#8 OHGW rated at 1905A. This will require easement acquisition for approximately 3.6 miles.

##### **City of Lake Worth Beach**

Relocate roughly 500 feet of existing LWU Main – LWU Canal Substation 138 kV transmission line to provide clearance for new FPL Greenacres – LWU Canal transmission line as shown in Appendix B.

Install new OPGW for fiber optic communications on existing 138 kV transmission lines from Canal Distribution Substation to Main, and from Main to Hypoluxo.

#### **SUBSTATION**

##### **FPL**

Install communication package, communication circuit, and mini-RTU at Lake Worth Beach Electric Utility's Canal Transmission Substation. Provide cabling for control, indication, and alarming of the breaker that will tie the Ranch-Canal Substation and Osborne-Canal Substation line sections together.

Work with City of Lake Worth Beach Electric Utility to install two sets of 138kV metering units at Canal Substation. One on the line going to Canal distribution, the other set of metering on the line going to the Main Substation.

##### **City of Lake Worth Beach**

Supply all equipment necessary to receive all transmission lines including metering units, structures, and cabling. LWU will supply high voltage connections and required conduits from metering units to location of metering panel.

## **PROTECTION AND CONTROL**

### **FPL**

Coordinate protection design, carrier frequencies and relay settings with City of Lake Worth Beach. Coordinate design for control of mid breaker between Ranch-Canal 138kV and Osborne-Canal 138kV lines together. Provide cabling and connections to single port on each meter (primary and backup) for each new line into Canal.

### **City of Lake Worth Beach**

The installation of equipment will be very similar to Hypoluxo substation which is an existing City of Lake Worth Beach electric substation. The protection line panels and power line carrier will need to coordinate with the FPL line panels and carrier. Metering class current transformers and potential transformers will need to be installed on the Canal Distribution 138kV line and the Canal-Main 138kV line. A port on each meter will need to be provided to FPL for communications. No compensation is necessary for the meter programming as the point of interconnection is at the first insulator at the pull off tower inside Canal substation on both lines

## **DISTRIBUTION**

### **FPL**

The transmission line will include underbuilt distribution facilities along much of the route, with a portion belonging to FPL and a larger portion belonging to LWU.

### **City of Lake Worth Beach**

Work with FPL to relocate existing LWU distribution circuits along FPL's proposed route onto the new FPL 138 kV transmission poles. LWU will construct distribution system modifications as necessary to facilitate this relocation (such as intermediate poles where necessary). Design standards will be agreed upon between LWU and FPL. Work with FPL on a new operating agreement to guide operations on the joint poles, and coordinate for transfer of any third-party attachments as necessary. The locations where this work will take place are effectively the full portion of the FPL 138 kV transmission route shown in Appendix A that is within LWU electric service territory.

**Appendix A to Exhibit B**  
**FPL Proposed Transmission Line**

Redacted Confidential Information

**Appendix B to Exhibit B**

**Proposed Transmission Line Tie-in at LWU Canal Substation**

Redacted Confidential Information

**Appendix C to Exhibit B**

**Preliminary LWU Canal Substation One Line**

Redacted Confidential Information

## Appendix D to Exhibit B

### Project Milestones

#### Canal Substation Interconnection for Lake Worth

		2020			2021												2022												2023													
FPL Activities/Milestones		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Major milestone schedule	10/31/2020																																									
Route Selection	60 days																																									
Preliminary engineering for station pulloffs	90 days																																									
Scheduling document completion	12/31/2020																																									
Joint use document completion	3/31/2021																																									
Survey	120 days																																									
Engineering	390																																									
ROW acquisition	600																																									
Permitting	150																																									
Material	180 days																																									
Construction	240																																									
Begin drafting Contract for Interconnected Operations	1/27/2021																																									
File revised Contract for Interconnected Operations	9/1/2022																																									
In service date of new interconnection	12/1/2023																																									

#### CLWB Activities/Milestones

Preliminary Engineering	60 days																																									
Detailed Design	270 days																																									
Surveying and Geotech	60 days																																									
Site Development	180 days																																									
Permitting	450 days																																									
Major Equipment Procurement (Inc. Metering)	570 days																																									
70% to 100% (IFB to Final) Design	90 days																																									
Construction - 138kV Station	300 days																																									
Construction - 25kV Station	180 days																																									

Indicates Joint FPL/CLWB Activities

Schedule revision on 7/16/2021

Schedule revision on 8/24/2021, per email on 8/19 with SPX transformer expected delivery of 7/13/22 and 8/9/22

Schedule revision by POWER on 3/14/2022