

CLERKS DULY NOTIFIED..... May 7, 2014
AGENDA PACKAGES/CDS FEDEXED TO MEMBERS..... May 7, 2014

MINUTES
EXECUTIVE COMMITTEE
THURSDAY, MAY 15, 2014
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT

Bushnell	-	Bruce Hickle
Clewiston	-	Danny Williams (via telephone)*
Fort Meade	-	Fred Hilliard
Fort Pierce	-	Bill Thiess
Green Cove Springs	-	Ray Braly
Havana	-	Howard McKinnon
Jacksonville Beach	-	Roy Trotter
Key West	-	Lynne Tejada
Kissimmee	-	Larry Mattern
Leesburg	-	Patrick Foster
Newberry	-	Bill Conrad
Ocala	-	Matt Brower
Starke	-	Marc Oody

*arrived late

OTHERS PRESENT

Mike Perri, Fort Pierce
Jason Hoffman, Fort Pierce
Al Minner, Leesburg
Bill Spinelli, Leesburg
Donna Painter, nFront Consulting LLC
Pilar Turner, Vero Beach
Tim Zorc, Indian River County
David Anderson, Ocala
Larry Novak, Ocala
Grante Lacerte, Kissimmee
Joe Hostetler, Kissimmee
Clay Lindstrom, Lake Worth
George Forbes, Jacksonville Beach(via telephone)

STAFF PRESENT

Nick Guarriello, General Manager and CEO
Fred Bryant, General Counsel
Jody Finklea, Assistant General Counsel and Manager of
Legal Affairs (via telephone)
Mark McCain, Assistant General Manager, Public Relations &
Human Resources
Mark Larson, Assistant General Manager, Finance and
Information Technology and CFO
Tom Reedy, Assistant General Manager, Power Resources
Frank Gaffney, Assistant General Manager of and Officer of
Regulatory Compliance
Michelle Pisarri, Administrative Coordinator
Sue Uteley, Executive Assistant to the CEO/Asst. Secy to the
BOD
Bud Boudreaux, Executive Consultant
Joe McKinney, Operations & Short Term Planning Manager
Rich Popp, Contract Compliance Audit and Risk Manager
Rick Minch, Controller
Michele Jackson, System Planning Manager
Janet Davis, Treasury Manager
Ann Beckwith, Green Energy and Regulatory Specialist
Susan Schumann, Environmental and Regulatory Affairs
Administrator
Amy Deese, Environmental Engineer

ITEM 1 - CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM:

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee meeting to order at 10:15 a.m. on Thursday, May 15, 2014 in the Boardroom, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 12 members present out of a possible 13. Clewiston arrived late bringing the quorum to 13.

ITEM 2 – SET AGENDA (BY VOTE):

MOTION: Mrs. Tejeda, Key West, moved to set the agenda as presented. Mr. Mattern, Kissimmee, seconded the motion. Motion carried 12-0.

ITEM 3 – RECOGNITION OF GUESTS:

Mr. Thiess, Fort Pierce, recognized Jason Hoffman, Communications Manager for Fort Pierce.

ITEM 4 – PUBLIC COMMENTS:

None.

ITEM 5 – COMMENTS FROM THE CHAIRMAN:

Chairman McKinnon, Havana, stated that the Budget Committee has already had two meetings and reminded members of the ARP Cost Center Team telephonic meetings being held on May 20 and 21.

ITEM 6 – REPORT FROM GENERAL MANAGER:

Nick Guarriello, General Manager, reported on the following items: Taylor Swaps workshop to be held on August 20; State of Florida General Appropriation Act with possible FMPA related proviso; and Tom Reedy's retirement.

ITEM 7 –SUNSHINE LAW UPDATE IN A MINUTE:

None

ITEM 8 –CONSENT AGENDA:

Item 8a – Approval of Meeting Minutes–Meeting Held April 17, 2014; ARP Telephonic Rate Workshop Minutes – Workshop Held April 8, 2014

Item 8b - Approval of Treasury Report as of March 31, 2014

MOTION: Mr. Foster, Leesburg, moved approval of the consent agenda as presented. Mr. Conrad, Newberry, seconded the motion. Motion carried 12-0.

ITEM 9 – ACTION ITEMS:

Item 9a—Approval of Amendments for the KEYS TARP Agreements

MOTION: Mr. Mattern, Kissimmee, moved approval of Amendment Number One to the Amended and Restated Capacity and Energy Sales Agreement and authorize its execution by the General Manager and CEO. Mr. Conrad, Newberry, seconded the motion. Motion carried 12-0.

Mr. Mattern, Kissimmee, moved approval of Amendment Number One to the Consolidated O&M Agreement and authorize its execution by the General Manager and CEO. Mr. Conrad, Newberry, seconded the motion. Motion carried 12-0.

Item 9b— Approval of Modification to the FST Plus Implementation Parameters

ORIGINAL MOTION: Mr. Brower, Ocala, moved approval of adding the criteria that the natural gas six month strip price must exceed \$7.00 MMBtu before implementation of the FST Plus program and authorizing reinstatement of the FST Plus program with such added criteria. Mr. Thiess, Fort Pierce, seconded the motion.

Discussion ensued.

MOTION TO AMEND: Mr. Conrad, Newberry, moved to amend the motion to also reduce the hedge percentage from 75% to 50% before implementation of the FST Plus program. Mr. Brower, Ocala, seconded the motion. Roll call vote was taken. Motion carried 9-3. Fort Meade, Green Cove Springs, and Jacksonville Beach voted nay.

The question was called on the motion as amended. A roll call vote was taken. Motion carried 10-3. Fort Meade, Green Cove Springs, and Jacksonville Beach voted nay.

The meeting was recessed at 11:56am.

The meeting was reconvened at 12:25pm.

Item 9c— Approval of Alternative Fixed Cost Allocators/Peak Shaving – Cost Shifting; Recommended Solution

MOTION: Mr. Conrad, Newberry, moved approval of the following proposal. Mr. Brower, Ocala seconded the motion. Roll call vote was taken. Motion carried 12-1. Fort Meade voted nay.

After September 30, 2014 ARP Participants will not engage in intermittent voltage reduction measures to shave peak or deploy ARP Participant owned emergency generation to intentionally reduce system demand costs.

After September 30, 2015 ARP Participants will not deploy customer emergency generation to intentionally reduce the ARP Participant's system demand costs.

After September 30 2014 each ARP Participant must notify FMPA within 10 days each time any of its emergency generators are operated above or beyond routine operational testing.

It is not the intent of this proposal to limit any Participant's management of its retail electric systems in a manner to provide reliable electric service to its retail customers, particularly during responses to emergency events such as hurricanes, tornados, tropical storms or other system destructive events. This includes actions taken for local system reliability or during periods in which the FRCC Reliability Coordinator or the FMPP Balancing Authority or the ARP Participant's Transmission Operator has declared an Energy Emergency Alert Level 2 (EEA Level 2) as defined in the North American Electric Reliability Corporation Reliability Standard EOP-002-3, Capacity and Energy Emergencies. Nor does this proposal apply to any ARP Participant retail customer that delivers power to the ARP Participant pursuant to a net metering arrangement, as provided for in the ARP net metering program.

Any ARP Participant that has established a contract rate of delivery (CROD), has the responsibility for serving its load above the CROD amount delivered by FMPA, in any manner decided by the ARP Participant, including using measures which could be otherwise described as peak shaving.

ITEM 10 – INFORMATION ITEMS:

- a. **Discussion of Strategic Plan Action Items**
- b. **Amendment to the Oleander Unit 5 PPA**
- c. **ARP Power Factor**
- d. **Results of the Duke Energy Florida (DEF)**
- e. **Plan for Meeting Key West 60% On-Island Requirement**
- f. **Proposed RFP Process Related to the Renewal or Replacement of the Letter of Credit on the ARP 2008C Bonds**
- g. **EPA's Re-Proposed Standards of Performance for Greenhouse Gas Emissions for New Stationary Sources: Electric Utility Generating Units – Summary and Status**
- h. **Hedge Portfolio Position Update – March 2014**

Staff briefly reported on each of the above items.

ITEM 12 – MEMBER COMMENTS:

Mr. Forbes, Jacksonville Beach, thanked Matt Brower, David Anderson, Bill Conrad and others for their leadership role as it related to the hedging program.

There being no further business, the meeting was adjourned at 1:58 p.m.



Matthew Brower
Vice Chairperson, Executive Committee



Sue Utley
Assistant Secretary

Approved: June 19, 2014

Seal

