

Approval of Consents and Waivers to Release Vero Beach from FMMPA Power Project Contracts



Florida Municipal Power Agency
Community Power. Statewide Strength.®

Alachua City Commission Meeting
October 9, 2017

Overview of Requested Action

- Vero Beach wants to sell its electric utility to Florida Power & Light
- Vero Beach receives 51 MW of power from three FMPA power Projects
 - Alachua is a partner with Vero Beach in the St. Lucie Project
- Vero Beach is asking to have FMPA's All-Requirements Project (ARP) assume Vero Beach's entitlements in the three FMPA Projects
- FMPA's contracts require consents and waivers from your city and others to release Vero Beach from FMPA agreements
- Goal to have ARP and Project Participant Cities approve by December 2017

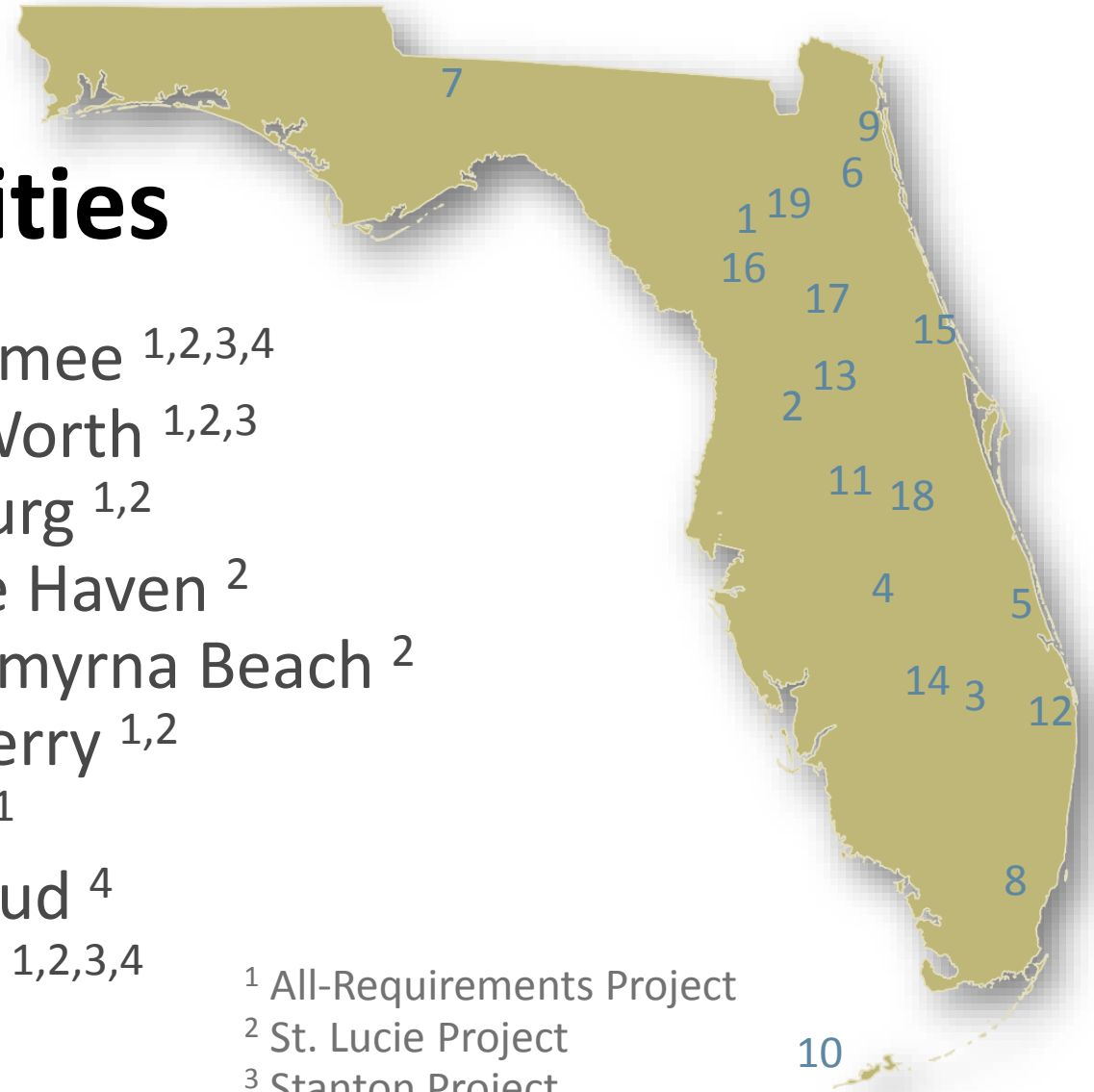
Vero Beach Takes Power from 3 FMPPA Projects

Project	Fuel Type	FMPPA Share	Cities Involved	Vero Share (in MW)	Vero Share (as a %)	Bond End Date
St. Lucie	Nuclear	87 MW	15	13 MW	15%	2026
Stanton	Coal	65 MW	6	21 MW	32%	2019
Stanton II	Coal	105 MW	7	17 MW	16%	2027

Vero Beach's Request Needs Consent from 19 Cities

- | | |
|--------------------------------------|-----------------------------------|
| 1. Alachua ² | 11. Kissimmee ^{1,2,3,4} |
| 2. Bushnell ¹ | 12. Lake Worth ^{1,2,3} |
| 3. Clewiston ^{1,2} | 13. Leesburg ^{1,2} |
| 4. Fort Meade ^{1,2} | 14. Moore Haven ² |
| 5. Fort Pierce ^{1,2,3,4} | 15. New Smyrna Beach ² |
| 6. Green Cove Springs ^{1,2} | 16. Newberry ^{1,2} |
| 7. Havana ¹ | 17. Ocala ¹ |
| 8. Homestead ^{2,3,4} | 18. St. Cloud ⁴ |
| 9. Jacksonville Beach ^{1,2} | 19. Starke ^{1,2,3,4} |
| 10. Keys Energy ^{1,4} | |

- ¹ All-Requirements Project
² St. Lucie Project
³ Stanton Project
⁴ Stanton II Project



Proposed Resolution Details Consents and Waivers Necessary to Release Vero Beach

- Consent to terminate contracts with Vero Beach
- Consent to assign Vero Beach's rights and obligations to FMIPA's All-Requirements Project (ARP)
- Consent to release Vero Beach from any contingent liabilities
- Waive your city's rights to these contract amendments
- FMIPA to draft documents: form of resolution, consent and waiver, project contract amendments, and form of city's legal counsel opinion

All-Requirements Project Has Strong Financials To Assume Vero Beach's Obligations

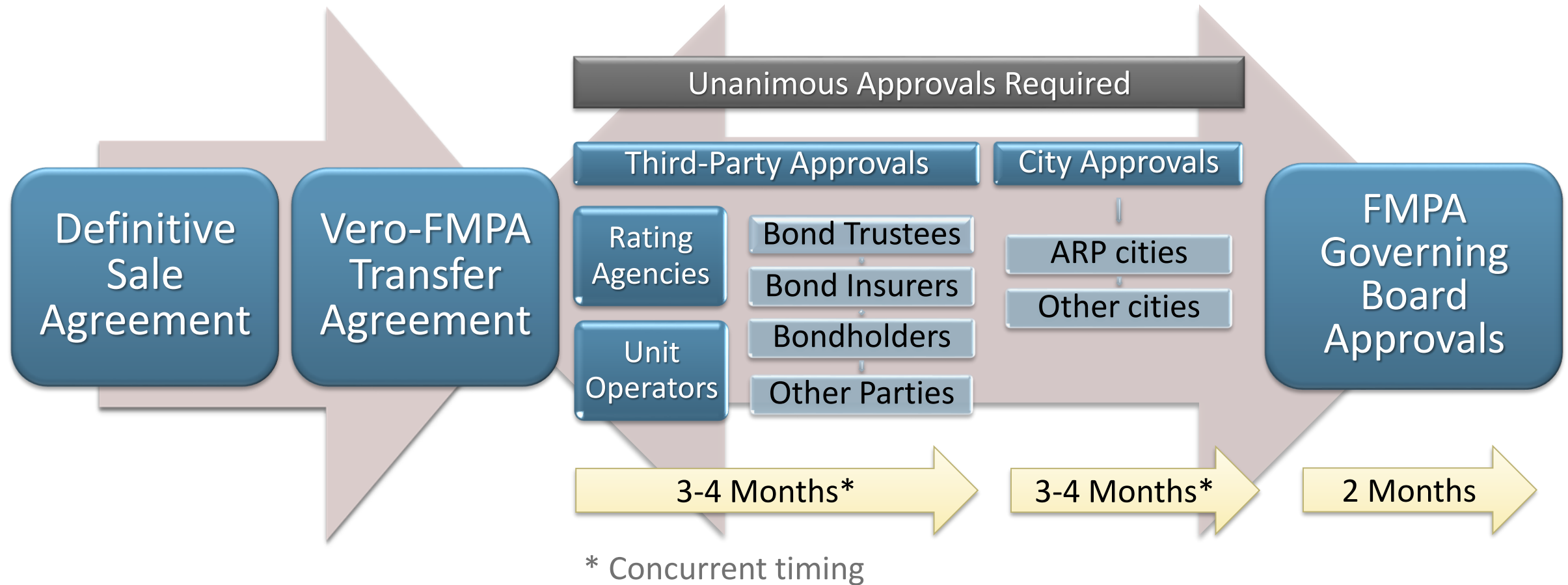
All-Requirements Project

- A+ Positive (Fitch Ratings)
- 13 cities in ARP
- 1,200 MW system
- \$400 million in revenues

City of Vero Beach

- A+ Stable (Fitch Ratings)
- 1 city
- 150 MW system
- \$90 million electric revenues

Approval Process Involves Other Stakeholders, So Effective Date Planned in October 2018



FPL's Purchase Price for Vero Beach Electric per Non-binding LOI Approved by Vero on May 16

FMPA Payment	\$108.0 million
OUC Release payment	20.0
Vero Beach bond payoff	20.4
Lease payment to Vero Beach for substation site	10.0
Funding Vero Beach pension liability	6.6
Cash payment to Vero Beach	20.0
TOTAL	\$185.0 million

Requested Motion When Action Needed (Late October/November)

- Move approval of the resolution providing consents and waivers to release the City of Vero Beach from FMPPA power supply project contracts

Note: Documents in substantial form for approval are expected to be completed in mid-October