

MINUTES
January 24, 2023
2:05 PM

Present:

COMMISSIONERS:

Britta Gross, President (via telephone)
Larry Mills, First Vice President
Cesar E. Calvet, Commissioner
Roger Chapin, Commissioner
Buddy Dyer, Mayor

Clint Bullock, General Manager & Chief Executive Officer
Jan Aspuru, Chief Operating Officer – Ex Officio
Attila Miszti, Chief Operating Officer
Mindy Brenay, Chief Financial Officer
W. Christopher Browder, Chief Legal Officer
Linda Ferrone, Chief Customer & Marketing Officer
Latisha Thompson, Chief Employee Experience Officer
LeMoyne Adams, Luz Aviles, Wade Gillingham, Jenise Osani, & Ken Zambito, Vice Presidents
Frances Johnson, Recording Secretary

The January 24, 2023 Commission Meeting was held in person.

* * *

Commissioner Mills asked Vince Preston to provide the Safety and Security protocols for the meeting.

Moment of Reflection

Commissioner Mills asked Terry Torrens to provide the moment of reflection.

Pledge of Allegiance

Commissioner Mills asked Maggie Burdette to lead the Pledge of Allegiance to the Flag.

Call to Order

The Commission Meeting was called to order at 2:05 P.M. Commissioner Mills noted that President Gross was attending the meeting via telephone, acknowledging a quorum was present.

Consideration of the Minutes

MOTION: On a motion by Mayor Dyer, seconded by Commissioner Calvet and unanimously carried, the reading of the December 13, 2022 Pricing Workshop minutes was waived and the minutes were approved.

* * *

MOTION: On a motion by Commissioner Calvet, seconded by Mayor Dyer and unanimously carried, the reading of the December 13, 2022 Commission Meeting minutes was waived and the minutes were approved.

Election of Officers

Commissioner Mills called for the election of officers to serve on the 2023 Commission.

MOTION: Mayor Dyer moved to nominate Britta Gross as President; Commissioner Calvet seconded, and the motion carried unanimously.

MOTION: Mayor Dyer moved to nominate Larry Mills as First Vice President; Commissioner Calvet seconded, and the motion carried unanimously.

MOTION: Mayor Dyer moved to nominate Roger Chapin as Second Vice President; Commissioner Calvet seconded, and the motion carried unanimously.

MOTION: Commissioner Calvet moved to reappoint Clint Bullock as General Manager & Chief Executive Officer and Secretary of the Commission; Mayor Dyer seconded, and the motion carried unanimously.

* * *

Mr. Bullock recommended that Chris Browder, Mindy Brenay, and Paula Velasquez be appointed as Assistant Secretaries to the Commission.

MOTION: Commissioner Calvet moved that Mr. Bullock's recommendations be approved as stated; Mayor Dyer seconded, and the motion carried unanimously.

Mr. Bullock stated that, without objection, Commissioner Mills will serve as Chair of the Audit-Finance Committee; with Commissioner Calvet as First Vice Chair, Commissioner Chapin as Second Vice Chair, and President Gross as a member. No objection was offered.

* * *

Community Recognition

Linda Ferrone announced OUC placed first nationally among electric utilities in a national customer survey designating OUC a Customer Champion. The national customer survey was conducted by Escalent's Cogent Syndicated 2022 Utility Trusted Brand & Customer Engagement™. The residential study engaged over 75,000 residential electric and natural gas customers of 141 utilities across the country, and only 37 of the 141 utilities earned recognition as Customer Champions, with OUC earning the highest ranking.

* * *

LeMoyne Adams also announced OUC is the recipient of the 2022 Restoring Communities Award from the Florida Municipal Electric Association (FMEA). The award recognized 25 Florida public power utilities for either, providing or receiving mutual aid following significant weather events or emergencies, or providing exemplary service to their community following emergency situations. The Restoring Communities award is a testament of the unmatched dedication of municipal utilities and

the communities they serve. This award is a direct result of our employees' hard work.

Affirmative Items

Mr. Bullock asked Jan Aspuru to present on Affirmative Item A-10, the Utility-Scale Photovoltaic Systems Renewable Energy Power Purchase Agreements- Amended and Restated. Commissioner Calvet inquired about how OUC's capital plan would be adjusted. Ms. Brenay explained PPA's are operating costs that would displace current period gas and coal costs as these are transitioned into the portfolio to provide OUC's base retail load and resale requirements. She reiterated that Capital Plan resources and the associated borrowing costs are impacted by these agreements as they are pass-through period fuel costs that are covered in the electric retail fuel price. Mayor Dyer asked if savings are anticipated. Ms. Brenay stated she does not anticipate savings due to other components such as energy storage being needed to support added solar resources however, she anticipates there would be less volatility in the long run as these energy sources have more stable long-term pricing compared to market driven commodity prices. Refer to the Appendix for more information.

* * *

Mr. Bullock asked Wade Gillingham to present on Affirmative item A-9, Osceola Generating Station Turbine Compressor Reliability Enhancements and Units 1 & 3 Restoration Project. Commissioner Mills asked if funding for this project is included in the 2023 Capital Plan. Mr. Gillingham confirmed funding has been approved for work to be done during the next couple of years, explaining this recommendation is to increase funding for the term. Commissioner Calvet asked if the additional \$4.2 million cost to satisfy insurance requirements is justifiable. Mr. Gillingham acknowledged it's justifiable from an insurer's perspective due to past failures in the industry. He also acknowledged this will result in more robust and reliable equipment. Refer to the Appendix for more information.

* * *

Mr. Bullock asked LeMoyne Adams and Eddie Fee, Director of Meter Services, to present on Affirmative A-12, Next Generation Water Automated Metering Infrastructure Project. Refer to the Appendix for more information.

* * *

Commissioner Mills presented the Affirmative Items for approval.

MOTION: On a motion by Commissioner Calvet and seconded by Mayor Dyer, Affirmative Items A-1 through A-28 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in September 2022 in the aggregate amount of \$49,777,649.65 as follows:

NATURAL GAS PURCHASES:

September 2022	City of Lakeland	\$ 681,270.00
September 2022	Clarke-Mobil Counties	\$ 1,486,500.00
September 2022	EDF Trading	\$ 4,835,518.59
September 2022	Florida Gas Utility	\$ 1,972,645.00
September 2022	Florida Power & Light	\$ 116,181.12
September 2022	Gas South	\$ 6,317,320.33
September 2022	Koch Energy	\$ 639,082.39
September 2022	Mansfield Power & Gas LLC	\$ 985,207.26
September 2022	Municipal Gas Authority of Georgia	\$ 4,637,160.00

September 2022	Southwest Energy	\$ 3,449,760.05
September 2022	Tenaska Marketing Ventures	\$ 8,588,215.36
September 2022	Texla Energy Management	\$ 9,749,148.85

COAL PURCHASES:

September 2022	Crimson Coal Corporation	\$4,551,693.93
September 2022	Foresight Coal Sales, LLC	\$1,767,946.77

2. Approval of Change Request No. 1 to the Capital Expenditure Estimate for the Indian River Plant Combustion Turbine C & D Rotor Air Cooler Upgrade Project in the amount of \$536,092, increasing the total project cost to \$632,092. Approval of an OUC initiated scope change and conforming Change Order No. 1 to First Global Gear Services LLC in the amount of \$480,000 to provide additional services and equipment in the total Purchase Order amount to \$576,000;
3. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$1,174,000 for the Indian River Plant Light Fuel Oil Storage Expansion Project, increasing the total project cost to \$1,315,000. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Black & Veatch Corporation in the amount of \$1,150,000 to provide engineering design services, construction management, and commissioning, increasing the total Purchase Order amount to \$1,245,000;
4. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Power Roof Ventilator Weather Hood Replacement Project in the amount of \$510,000. Approval of a RFP #5223 – Contract award to Markair Inc., the lowest, most responsive and responsible supplier, to fabricate new power roof ventilator weather hoods in the amount of \$280,000;
5. Approval of RFP #5224 – Contract award to CEC Motor & Utility Services, LLC, the lowest, most responsive and responsible supplier, to furnish labor, materials, and equipment in the amount of \$200,000;
6. Approval of RFP #5222 – Contract award to Emerson Process Management Power & Water Solutions, Inc., the most responsive and responsible supplier, to furnish all necessary labor, materials, and startup services in the amount of \$420,000;
7. Approval of RFQ #5235 – Contract award to Wesco Distribution, Inc., the lowest, most responsive and responsible supplier, to provide motor control center equipment in the amount of \$165,000;
8. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$2,691,670 for the Southwest Water Treatment Plant Bulk Sodium Hypochlorite Conversion Project, increasing the total project cost to \$2,766,128. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Hazen and Sawyer, P.C. in the amount of \$311,085 to provide final engineering design, permitting, and construction services, increasing the total Purchase Order amount to \$385,543;
9. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$4,200,000 for the Osceola Generating Station Turbine Compressor Enhancements and Units 1 & 3 Restoration Project, increasing the total project cost to \$42,200,000. Approval of RFP #5226 – Contract award to General Electric International, Inc., the lowest, most responsive and

responsible supplier, to provide necessary labor, equipment, and materials to service the implementation of the turbine compressor enhancements in the amount of \$23,500,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Burns & McDonnell Engineering Company, Inc. in the amount of \$213,000 to perform the relay protection upgrades, increasing the total Purchase Order amount to \$300,000;

10. Authorization for the General Manager & CEO to execute the two amended and restated renewable energy Power Purchase Agreements with Harmony Florida Solar II, LLC and Storey Bend Solar, LLC, pending final contract negotiations and OUC legal review. The anticipated contract terms are twenty years with two five-year unilateral Power Purchase Agreement extensions for each project at an estimated cost of \$265.9 million for 149 MW of solar photovoltaic capacity;
11. Approval of additional funding in the amount of \$57,786.60 with conforming Change Order No. 1 to Elster Solutions, LLC to continue providing drive-by meter reading hardware and software support services, increasing the total Purchase Order amount to \$129,909;
12. Approval of a Capital Expenditure Estimate for the Next Generation Water Automated Metering Infrastructure Water Project in the amount of \$49,513,939. Approval of RFP #5101 – Contract award to Badger Meter, Inc., the lowest, most responsive and responsible supplier, to provide their water Automated Metering Infrastructure solution in the aggregate amount of \$21,215,845. Approval of RFP #5103 – Contract award to Badger Meter, Inc. and Core & Main, Inc., the most responsive and responsible suppliers, to provide small and large water meters in the aggregate amount of \$19,763,854. Approval of Purchase Orders to Utility Partners of America, LLC to provide field deployment services supporting the project in the amount of \$11,036,582; and Keyrus USA, Inc. to provide professional services supporting the project in the amount of \$341,000. Approval of additional funding in the amount of \$1,409,513 with conforming Change Order No. 1 to ACRO Service Corporation to provide staff augmentation for the project, increasing the total Purchase Order amount to \$13,409,513;
13. Approval of a Capital Expenditure Estimate for the installation of the underground electric distribution system to serve the Center Lake Ranch Subdivision – Phase 1 Lift Station & Roadway Lighting in the amount of \$1,530,765.80, with a customer contribution in the amount of \$19,910;
14. Approval of a Capital Expenditure Estimate for the installation of the underground electric distribution system to serve the Packing District – Southeast Parcel development in the amount of \$588,633.86, with a customer contribution in the amount of \$178,808;
15. Approval of a Capital Expenditure Estimate for installation of underground electric distribution facilities to serve the Millenia Park Apartments in the amount of \$541,896.66, with a customer contribution in the amount of \$81,284;
16. Approval of a Purchase Order to KEMCO Industries, LLC for substation protection and control switchboard panels in the amount of \$225,000.
17. Approval of a Capital Expenditure Estimate for the Microsoft Office 365 Migration Project in the amount of \$788,240. Approval of RFP #5216 – Contract award to AvePoint Public Sector, Inc.,

the most responsive and responsible supplier, for Office 365 email migration, governance, and security services in the amount of \$292,589. Approval of a Purchase Order to Advizex Technologies LLC for staff augmentation in the amount of \$157,740. Approval of a Purchase Order to SHI International Corp for Microsoft software licenses in the amount of \$194,948;

18. Approval of an OUC initiated scope change and conforming Change Order No. 1 to VPMA Global Services LLC. in the amount of \$63,000 for professional services to support the Control-M software, increasing the total Purchase Order amount to \$162,200;
19. Approval of Change Request No. 7 to the Capital Expenditure Estimate in the amount of \$12,096,262 for Phase 3 of the St. Cloud Operations and Maintenance Facility Project, increasing the total project cost to \$77,013,684. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Ajax Building Construction Manager at Risk construction services for the project, increasing the total Purchase Order amount to \$66,587,617. Approval of Purchase Orders to Presidio Network Solution for network equipment in the amount of \$307,968, and DG Investments Intermediate Holdings 2, dba Convergent Technologies, LLC for enhanced security infrastructure equipment in the amount of \$1,020,953;
20. Approval of an OUC initiated scope change and conforming Change Order No. 4 to A.B. Closing Corporation d/b/a Kavaliro in the amount of \$218,500 for continued Information Technology professional and managed services, increasing the total Purchase Order amount to \$583,192;
21. Ratification of Hurricane Ian preparation and restoration costs in the aggregate amount of \$3,200,445.69;
22. Ratification of an OUC initiated scope change and confirming Change Order No. 2 to Reliance Standard Life Insurance Company in the amount of \$164,815.08 for services through January 2023, increasing the total Purchase Order amount to \$3,057,515.08. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Reliance Standard Life Insurance Company in the amount of \$922,789 to continue providing life insurance, accidental death and dismemberment, and long-term disability insurance services, increasing the total Purchase Order amount to \$3,980,304.08;
23. Approval of Change Request No. 3 to the Capital Expenditure Estimate for the Robinson Street Electric Vehicle Charging Hub Project in the amount of \$462,248 for site remediation, increasing the total project cost to \$3,160,344. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Aireko Energy Solutions US, LLC in the amount of \$162,248 for expenses related to construction delays associated with site remediation, increasing the total Purchase Order amount to \$1,714,387.
24. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$891,407.03 for the Stanton Energy Center Combustion Waste Storage Area Cells 1 and 2 Closure Project, increasing the total project cost to \$2,599,000. Approval of RFP #5251 – Contract awards to Atarfil USA, Inc.; the most responsive and responsible supplier, for the landfill textured liner in the amount of \$660,000. Approval of RFP #5251 – Contract awards to SKAPS Industries, the most responsive and responsible supplier, for the geocomposite material in the amount of \$1,069,000;

25. Approval of a Purchase Order to Tetra Tech, Inc. to provide quality assurance and as-built documentation review during Stanton Energy Center Landfill Cell 2 repairs in the amount of \$161,000. Approval of a single source Purchase Order to Chesapeake Containment Systems, Inc. to provide the repairs to the Landfill Cell 2 leachate pond liner in the amount of \$181,500. Approval of a single source Purchase Order to Charah, LLC to provide mechanical, electrical & instrumental controls repairs for the Landfill Cell 2 leachate piping system in the amount of \$199,626. Approval of a single source Purchase Order to Eco Material Technologies, Inc. to provide repairs for Landfill Cell 2 in the amount of \$319,818;
26. Ratification of a Purchase Order to Shutts & Bowen, LLP for a variety of legal services in December 2022 and January 2023 in the amount of \$152,801.70. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Shutts & Bowen, LLP in the amount of \$747,198.30 to continue providing a variety of legal services, increasing the total Purchase Order amount to \$900,000;
27. Authorization for the General Manager & CEO to execute the Release of Easement for property located west of North Orange Avenue and north of West Amelia Street; and
28. Authorization for the General Manager & CEO to execute the Release of Easements for property located west of Universal Boulevard and south of Carrier Drive.

Presentations

Commissioner Mills provided the December 15, 2022 Audit–Finance Committee Report. The Audit–Finance Committee (Committee) meeting was held on December 15, 2022. The Committee reviewed the results of operations, noting that income before contributions in the amount of \$108.6 million was consistent with the 2022 Operating Budget. The Committee also reviewed the draft 2022 Audited Financial Statements, the 2022 Five-Year Financial and Statistical Report, and the associated key financial strategic metrics. The Committee was also presented with an overview of the draft audit results from Ernst & Young, OUC’s external auditors, noting that the results continue to demonstrate strong financial stewardship by OUC management. Quarterly financial and compliance reports were provided by management, including Energy Risk Management, Internal Audit, and Financial Services.

* * *

Mindy Brenay presented the preliminary Financial Report. Refer to the Appendix for more information.

General Manager’s Comments

Mr. Bullock introduced Attila Miszti as OUC’s new Chief Operating Officer. Attila will be replacing Jan Aspuru, who will be retiring in April 2023. Attila comes from Sacramento Municipal Utility District, the sixth largest municipal utility in the nation. Attila will be responsible for managing OUC’s electric, water, chilled water, energy services, and lighting operations. He’ll also oversee the execution and management of OUC’s operations-specific plans, emphasizing safety, reliability, and operational excellence.

Mr. Bullock continued by welcoming Roger Chapin as a new member of OUC’s Board of

Commissioners. Commissioner Chapin has a background in business, civic, and community leadership. He is taking the seat vacated by Commissioner Greg Lee. Mr. Bullock concluded by thanking the Board for their support and reappointing him as OUC's General Manager and CEO.

Commissioners' Comments

Commissioner Calvet inquired about the opening of the Robinson Street Electric Vehicle Charging Hub Project. Jenise informed the commissioner that the expected date is May 1, 2023. Mayor Dyer inquired about the exploration of federal grants and the Inflation Reduction Act. Mr. Bullock confirmed OUC is actively exploring grants. Commissioner Calvet continued by congratulating OUC for continued community recognitions and awards. He provided Kudos to OUC for finding such a great opportunity in OGS, and emphasized how impressive the Next Generation Water Automated Metering Infrastructure project is. Commissioner Calvet concluded by welcoming Commissioner Chapin to the Board.

President Gross thanked Eddie Free for providing an overview of the Next Generation Water Automated Metering Infrastructure project. She appreciated the update on OGS and concluded by welcoming Commissioner Chapin.


Mayor Dyer congratulated OUC on all the recognition and awards received. He continued by welcoming Attila Miszti to the OUC family. He congratulated everyone on their reappointment and re-elections. He also welcomed Commissioner Chapin to the Board as the Second Vice-President.

Commissioner Chapin thanked everyone for the warm welcome to the OUC Board and thanked the Mayor for the nomination and the Commissioners for the support. He explained his experience so far confirmed what he already knows, that OUC has a dedicated Board and professional staff that emphasizes safety. He hopes to add value, to match the level of professionalism and commitment of the OUC Board, and the dedication of its employees.


Commissioner Mills welcomed both Mr. Miszti and Commissioner Chapin to OUC. He stated he values the different skills each commissioner brings to the Board and gave OUC staff kudos for their teamwork, stating he appreciates all the hard work and efforts that result in the community recognitions.

* * *


Commissioner Mills adjourned the meeting at 3:22 P.M.



President



Secretary



Recording Secretary

APPENDIX
Affirmative Items

A-10 the Utility-Scale Photovoltaic Systems Renewable Energy Power Purchase Agreements- Amended and Restated

A-9 Osceola Generating Station Turbine Compressor Reliability Enhancements and Units 1 & 3 Restoration Project.

A-12 Next Generation Water Automated Metering Infrastructure Project.

PRES-1 Preliminary Financial Report.

A-10 the Utility-Scale Photovoltaic Systems Renewable Energy Power
Purchase Agreements- Amended and Restated

Amended and Restated - Power Purchase Agreements Harmony II & Storey Bend Solar Projects

Jan Aspuru - Chief Operating Officer
Commission Meeting – January 24, 2023
Agenda Item A-10



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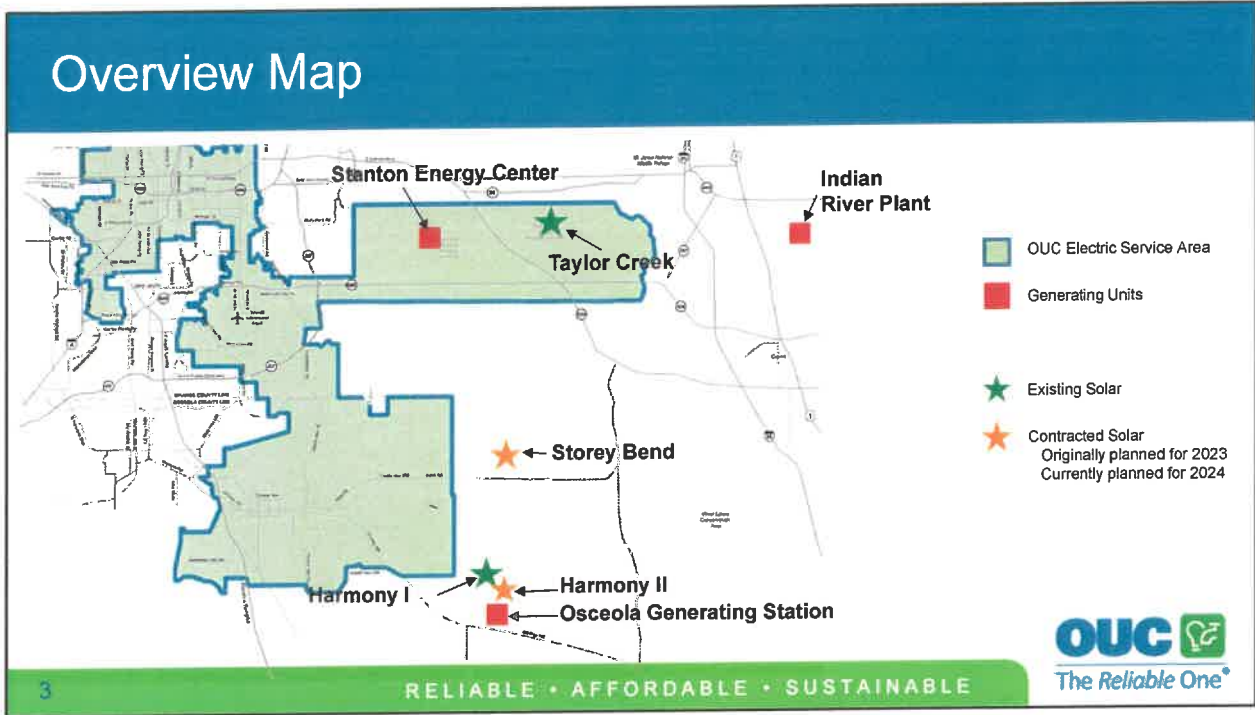
Background

- December 8, 2020 – Commission approved OUC entering into Power Purchase Agreements with NextEra for two utility scale (74.5 MW) solar projects
 - Based on approval, OUC negotiated and executed Power Purchase Agreements for Storey Bend and Harmony II Solar Projects
 - Designs for the solar projects have been completed and permitting is well underway
 - The contracted Commercial Operation Date (COD) was planned for December 31, 2023
- May 10, 2022 – 1st Commission Update on status of Projects
 - Cost and Schedule impacts due to:
 - Supply chain disruptions/Inflation
 - US Department of Commerce (DOC) investigation on possible tariff circumvention on Chinese-made solar panels/modules
- July 12, 2022 – 2nd Commission Update on status of Projects
 - Expected schedule impact delay of 12 months – revised COD of December 31, 2024
 - Biden Administration declaration of 24-month tariff moratorium
 - Price impacts to be provided on a future status update

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Supply Chain and Inflationary Impacts

- Impacts across the commodity and transportation spectrum
- Ranging 49%-374%
- Solar Bill of Materials
 - Copper
 - Aluminum
 - Steel
 - Polysilicon
 - Ocean Freight

The OUC logo and slogan 'The Reliable One' are in the bottom right. A green footer bar contains the number '4' and the text 'RELIABLE • AFFORDABLE • SUSTAINABLE'.

Revised Schedule and Pricing

- Finalized negotiations with NextEra Energy Florida Renewables (NextEra)
- New COD of December 31, 2024 for both projects
- Total cost impact of 19.7%
- New total estimated cost for both projects of \$265.9MM
- Competitive with current market prices
- OUC receives two – 5 year unilateral term-extension options for each project

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Recommended Action

- Commission authorization for the General Manager & CEO to execute the two amended and restated renewable energy Power Purchase Agreements with Harmony Florida Solar II, LLC and Storey Bend Solar, LLC, pending final contract negotiations and OUC legal review. The anticipated contract terms are twenty years with two five-year unilateral Power Purchase Agreement extensions for each project at an estimated cost of \$265.9 million for 149 MW of solar photovoltaic capacity.

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**A-9 Osceola Generating Station Turbine Compressor Reliability
Enhancements and Units 1 & 3 Restoration Project.**

Osceola Generation Station

Commission Meeting - January 24, 2023

Agenda Item A-9

Wade Gillingham, Vice President of Electric and Water Production



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Project Background Osceola Generation Station (OGS)

- OGS is comprised of three GE 7FA units noted as OGS Units 1, 2, and 3
- OGS in extended outage since 2014
- Commission approved Purchase and Sale Agreement on August 10, 2021
- Closing on September 28, 2021
- Original Target with multi-year phased maintenance approach with anticipated completion by 2025



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Acquisition and Events

- Commission authorized purchase and expenditures for maintenance and repairs for OGS facility in August 2021
 - Acquisition value of \$61.5 million
 - Maintenance, repair and/or replacement costs estimated to be \$38 million
- Two recent industry blackout events
 - 2020 California Summer Event
 - 2021 Texas Winter Event (aka - Winter Storm Uri)
 - OUC completed cold weather table top exercise in December 2021

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Osceola Generating Station Unit 2

- December 14, 2021 Commission Approved Repairs to Unit 2 Turbine and Generator and Balance of Plant
- Spring 2022, OUC determined need for OGS Unit 2 for forecasted power reserve requirements for Summer 2022
 - FPSC requires 15% reserve margin for Municipalities
 - Decision made to expedite OGS Unit 2 for reserve margin mitigation
 - Additional funding approved June 2022
 - Funding was allocated in original Capital Expenditure but advanced in time

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During Repair- Top side of Combustors

Unit 2 During Repair



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Compressor Blades

Unit 2 During Repair



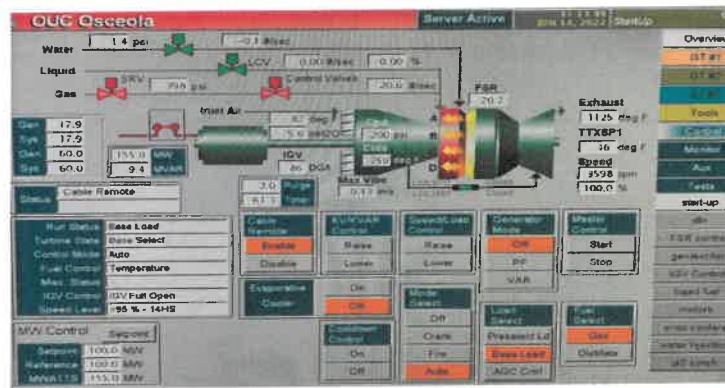
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OGS Unit 2 Progression

- June 6 -10, 2022 – OGS Unit 2 reached FSNL (Full Speed No Load)
- June 11, 2022 – OGS 2 synced to Grid



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Original Planned OGS Maintenance Work

Approved August 2021 OGS Capital Expenditure included following scope

- Unit 1 Summer 2023 Hot Gas Path (HGP)
- Unit 3 Summer 2024 Combustion Inspection (CI)
- Hydrogen seals "bolt-on" conversion
- Generator Relay Protection replacements for NERC compliance
- Mark V to VI-e controls replacement
- LCI repairs



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Additional Scope for Units 1, 2, and 3

- OGS Units 1, 2, and 3 are part of early 7FA turbine compressor design
- FM Global requires compressor safety and reliability enhancement for all three units
- Reduced potential of compressor blade liberation while in operation
- Reduces risk of failure and satisfies FM Global requirements
 - Package 2+includes
 - Stationary row 0 – Stationary row 4 enhancements (S0-S4)
 - Inlet Guide Vane (IGV) control enhancements

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Scope of Work

- Competitive proposals were solicited from qualified suppliers for:
 - S0-S4 Compressor 2+ enhancement package (GE)
 - Units 1, and 3 HGP and CI maintenance scope
 - Hydrogen seals "bolt-on" conversion
 - Generator Relay Protection replacements for NERC compliance
 - Mark V to VI-e controls replacement
 - LCI repairs



10

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Recommended Action

- Commission approval of Change Request No.1 to the Capital Expenditure Estimate in the amount of \$4,200,000 for the Osceola Generating Station Turbine Compressor Enhancements and Units 1 & 3 Restoration Project, increasing the total project cost to \$42,200,000.
- Commission approval of a Purchase Order to General Electric International, Inc. to provide necessary labor, equipment, and materials to service the implementation of the turbine compressor enhancements in the amount of \$23,500,000.
- Commission approval of an OUC initiated scope change and conforming Change Order No. 1 to Burns & McDonnell Engineering Company, Inc. in the amount of \$213,000 to perform the relay protection upgrades, increasing the total Purchase Order amount to \$300,000.

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Special Thanks to All Supporting Teams

- Transmission Planning & Reliability
- Transmission Sub Construction & Maintenance
- System Protection
- Operations Technology
- OUC Conventional Lighting
- Materials Fulfillment
- Facilities/Fleet
- Information Technology
- Finance/Budget
- Legal/Risk Management/Security/Environmental
- NERC Standards and Compliance

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A-12 Next Generation Water Automated Metering Infrastructure Project.

Next Generation Water AMI (Automated Metering Infrastructure) Project

LeMoyne Adams – Vice President, Electric & Water Distribution;
Eddie Fee – Director, Meter Services
Agenda Item A-12. • Commission Meeting – January 24, 2023

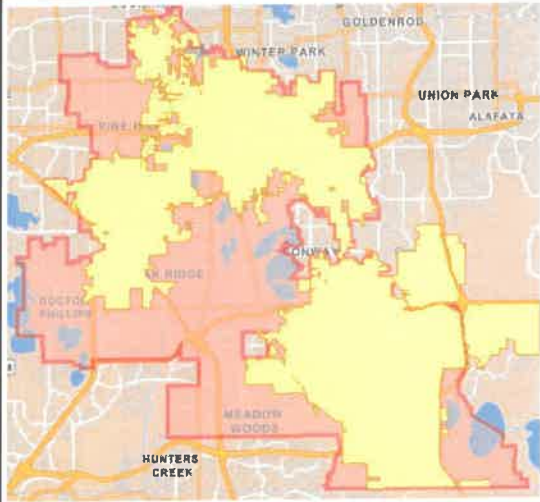



Background & Overview

- OUC implemented the current Automated Meter Reading (AMR) solutions for water in 2013-2014
 - Full roll-out of electric AMI (Automated Metering Infrastructure) occurred 2012-2013
 - True AMI solutions for water did not exist at that time
- Meter Reading department headcount reduced from 34 to 6; now supporting
 - Drive-by meter reading for a portion of the service territory
 - Triage work on water communication hardware & meters in the field
- Water AMR solutions implemented have notable technology and data limitations, and are reaching end of useful life
- AMI (Automated Metering Infrastructure) water solutions and battery technology have matured in recent years in ways that will enhance customer experience, water conservation efforts and operational effectiveness
- AMI solutions for water meters is next generation technology




Current Water AMR Solutions at OUC





72%
(116,000)


**Water Meters Read via
Electric Mesh Network**



28%
(44,000)


**Water Meters Read via
Drive-By**

Type of Water Meter Reading	Register (Billing) Reads	Hourly Interval Usage	Historical Alarms & Condition Codes
Electric Mesh Network	✓	✓	✓
Drive-by	✓		


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Why Move To Next Generation Water AMI?

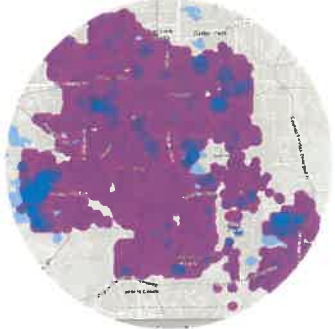
- Replacement of aging, 1st generation water AMR/meter infrastructure provides:
 - Cost Optimization and Operational Effectiveness
 - Shift from 10 to 15-year asset depreciation model
 - Eliminate drive-by meter reading operations
 - Enables 'over-the-air' (OTA) firmware and configuration updates
 - Customer Experience Enhancements
 - Eliminates 'customer meter read' process through cellular communications on portable/hydrant meters
 - Ensures data (i.e. usage dashboards) and service offerings are available for *all* OUC water customers
 - Enables quicker identification and resolution of hardware issues (i.e. break-to-fix time)
 - Water Conservation Expansion
 - Enhances proactive analytics models with increased granularity, accuracy (timestamps) and frequency of data
 - Enables improvements to CUP (Consumptive Use Permit) reporting and data analytics
 - Future Opportunities
 - Remote disconnect water meters & functionality
 - Pressure and temperature monitoring

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AMI Technology & Hardware Selection *(RFP 5101)*




Badger Meter
AMI Cellular Water Solution




Primary Provider
Cellular Coverage



**ORION® CELLULAR
NAAS ENDPOINT**



**CELLULAR NETWORK
AS A SERVICE**



**BEACON® AMA
CLOUD PLATFORM**


Secure Two-Way Communication
Encrypted Data Transmission

Secure Two-Way Communication
AT&T Private Network & Secondary Carrier

Register (Billing) Reads	Hourly Interval Usage	Historical Alarms & Condition Codes	15-minute Interval Usage	Over-the-air Firmware Updates
✓	✓	✓	✓	✓


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OUC Experience

- Meter Services' AMI water technologies pilot strategy began in 2019
 - Included a 60 endpoint cellular pilot with Badger
- In October 2021, OUC's legacy AMR water provider experienced a supply chain crisis, ceasing production of AMR endpoints for the foreseeable future
- After reviewing alternative strategies to maintain core meter-to-bill services, it was determined to expand utilization of the cellular pilot
- ***We now have >17,000 (10% of all water services) of these endpoints in the field, billing on production accounts!***



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What is Required for a Successful Project?

Water Meters

- Compatibility with AMI endpoints
- Various sizes (5/8"-10") and applications (*potable, chilled, reclaimed, hydrant/portable, sewer credit*)

The AMI Solution

- Communication endpoints, connectors (*hardware*) & protocols (*firmware*)
- Communications network or NaaS (*Network-as-a-Service*)
- Head-end software or SaaS (*Software-as-a-Service*)
- Implementation and integration services

Field Deployment

- Scheduling & labor for installation and provisioning
- Updates to OUC systems
- Recycling & disposal (*includes batteries*)
- Fleet
- Safety

Project Management & Governance

Meter-to-Bill Validation (permutations)

System Security & User Management

Customer Education & Communications

Mitigate Supply Chain Risks

Internal Change Management

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Projected Timeline

	2023 (CY)												2024 (CY)												2025 (CY)											
	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Validate Security, M2C & Deployment Processes																																				
Ramp-up of Materials & Labor																																				
Customer Communications Plan & Schedule																																				
Field Deployment (endpoints & meters)																																				

★ Support for drive-by AMR water technology will be discontinued

★ Support for legacy AMR water technology will be discontinued

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Summary of Project Costs (CAPEX vs OPEX)

Category	Capital	O&M	
AMI Water Endpoints	\$14,952,253		
Meters	\$19,052,721		
Labor	\$15,508,965	\$20,900	
AMI Water Saas/NaaS (5 yrs)		\$4,937,788	
City of Orlando (Reclaimed)		\$1,720,865	
Totals ---->>	\$49,513,939	\$6,679,553	\$56,193,492

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Recommended Action

A-12 – Next Generation Water AMI Project:

- Commission approval of a Capital Expenditure Estimate for the Next Generation Water Automated Metering Infrastructure Water Project in the amount of \$49,513,939.
- Commission approval of Purchase Orders to Badger Meter, Inc. to provide their water Automated Metering Infrastructure solution in the aggregate amount of \$21,215,845.
- Commission approval of Purchase Orders to Badger Meter, Inc. and Core & Main, Inc. to provide small and large water meters in the aggregate amount of \$19,763,854.
- Commission approval of Purchase Orders to Utility Partners of America, LLC to provide field deployment services supporting the project in the amount of \$11,036,582; and Keyrus USA, Inc. to provide professional services supporting the project in the amount of \$341,000.
- Commission approval of additional funding in the amount of \$1,409,513 with conforming Change Order No. 1 to ACRO Service Corporation to provide staff augmentation for the project, increasing the total Purchase Order amount to \$13,409,513.

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PRES-1 Preliminary Financial Report.

Financial Report

\$ in millions	December 2022			
	Actual	Budget	\$ Δ	% Δ
Retail and Wholesale Electric Revenues	\$ 130.7	\$ 129.6	\$ 1.2	0.9%
Water, Chilled Water and Other Revenues	41.6	44.2	(2.6)	-6.0%
Total Revenues, excluding Fuel Revenues	172.3	173.8	(1.5)	-0.9%

Overview

- Total Revenues, excluding Fuel Revenues were \$1.5 million lower than Budget
 - Higher than budgeted wholesale revenues as a result of colder than normal weather in December offset lower than budget retail electric* and water revenues
 - Other revenue shortfall from the delayed start-up of ancillary revenue projects

* Board approved deferred revenues of \$25 million in 2022 which are available to offset 2023 retail electric non-fuel revenue shortfall, as needed



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