

MINUTES
May 9, 2023
2:16 PM

Present:

COMMISSIONERS:

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

Clint Bullock, General Manager & Chief Executive Officer
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 May 9, 2023 Commission Meeting was held in person.

* * *

Moment of Reflection

President Gross asked Kevin Noonan to provide the moment of reflection.

Pledge of Allegiance

President Gross asked Kevin Sacco to lead the Pledge of Allegiance to the Flag.

Call to Order

The Commission Meeting was called to order at 2:16 P.M.

Consideration of the Minutes

MOTION: On a motion by Commissioner Calvet; seconded by Commissioner Chapin and unanimously carried, the reading of the April 11, 2023 Commission Meeting minutes was waived and the minutes were approved.

Community Recognition

Latisha Thompson announced that for the sixth consecutive year, OUC has earned a Best Wellness Employer Gold Certification from Wellness Workdays. Refer to the Appendix for more information.

Jenise Osani provided an update on the 2023 Earth Month Community Volunteer Project, which was held on Saturday, April 15th. Forty-six OUC employees, family members, and friends teamed up with

the Orlando City Soccer Club and Orlando Pride to revitalize the Orlando Union Rescue Mission's grounds, one of Central Florida's oldest and largest homeless service providers. Activities included installing new lumber, weeding, soiling, composting, planting, mulching, and setting up rain barrels for 35 garden beds which will provide a variety of vegetables for the facility's kitchen and neighboring communities. Almost 200 hours of time were donated during this activity. Additionally, Amersicape, Davey Tree, and Ajax Building Company also helped with landscaping, irrigation, mulch, and new lumber. Refer to the Appendix for more information.

Affirmative Items

Wade Gillingham presented on Affirmative Items A-4 through A-8 related to the Lake Highland Water Treatment Plant proposed project improvements. There were no comments from Commissioners or the public. Refer to the Appendix for more information.

Linda Ferrone and Justin Kramer presented on Affirmative Item A-25 related to the Demonstration of Integrated Hydrogen Production & Consumption for Improved Utility Operations Project. Commissioner Calvet inquired about the role of the project partners. Mr. Kramer explained that OUC is the host site and now, the prime grant recipient. He also described the role of each partner, stating OneH2 will help with the design of the site and storage, compression, and transportation. UCF, Florida Solar Energy Center, and National Renewable Energy Lab will assist with the model. He also introduced Dr. Robert Brooker, Supervisor of Research and Engineering at OUC, who is helping to orchestrate the hydrogen process. President Gross acknowledged the project's importance and relevance. She also expressed appreciation for DOE's role in providing safety expertise. Refer to the Appendix for more information.

President Gross presented the Affirmative Items for approval.

MOTION: On a motion by Mayor Dyer and seconded by Commissioner Chapin, Affirmative Items A-1 through A-31 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in January 2023 in the aggregate amount of \$21,796,340.35 as follows:

NATURAL GAS PURCHASES (1):

January 2023	Clarke-Mobile Counties	\$ 798,250.00
January 2023	ConocoPhillips	\$ 366,273.81
January 2023	EDF Trading	\$ 1,718,933.18
January 2023	Florida Gas Utility	\$ 103,920.00
January 2023	Macquarie Energy	\$ 773,999.25
January 2023	Municipal Gas Authority of Georgia	\$ 1,753,608.00
January 2023	Shell Energy	\$ 534,000.00
January 2023	Southwest Energy	\$ 891,740.49
January 2023	Tenaska Marketing Ventures	\$ 6,198,221.54
January 2023	Texla Energy Management	\$ 706,326.00

COAL PURCHASES:

January 2023	Crimson Coal Corporation	\$5,567,349.51
January 2023	Foresight Coal Sales, LLC	\$2,107,851.99

RED DYED DIESEL OIL PURCHASES:

January 2023

Lynch Oil Co Inc

\$ 275,866.58

2. Approval of an OUC initiated scope change and conforming Change Order No. 2 to HydroChem LLC d/b/a HydroChemPSC and Thompson Industrial Services, LLC in the amount of \$200,000 to continue providing industrial cleaning and environmental services, increasing the aggregate Purchase Order amounts to \$2,030,208;
3. Approval of a single source Purchase Order to Exponential Power, Inc to provide battery maintenance and testing services in the amount of \$200,000;
4. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Hazen and Sawyer, P.C. in the amount of \$249,161 to provide engineering design, permitting, and construction services for the Lake Highland Water Treatment Plant, increasing the total Purchase Order amount to \$321,175;
5. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$5,499,412.65 for the Lake Highland WTP Ozone Generator Replacement Project, increasing the total project cost to \$6,249,227.65. Approval of an OUC initiated scope change and conforming Change Order No. 1 to CDM Smith, Inc. to provide engineering design and support services in the amount of \$303,122.65, increasing the total Purchase Order amount to \$1,052,937.65. Approval of a Purchase Order to Suez Treatment Solutions, Inc. to provide ozone generating equipment and parts in the amount of \$5,122,233;
6. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$1,082,552 for the Lake Highland Water Treatment Plant Electrical Reliability Project, increasing the total project cost to \$1,197,446. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Black & Veatch Corp. in the amount of \$1,032,997 to provide final engineering design and support services, increasing the total Purchase Order amount to \$1,130,891;
7. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$1,789,045.60 for the Lake Highland WTP GAC Treatment System Project, increasing the total project cost to \$1,860,897.10. Approval of an OUC initiated scope change and conforming Change Order No. 1 to CDM Smith, Inc. in the amount of \$1,714,995.60 to provide design, permitting, and construction services for the Lake Highland Water Treatment Plant, increasing the total Purchase Order amount to \$1,786,847.10;
8. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$1,694,776.52 for the Lake Highland Water Treatment Plant Wells Rehabilitation and Water Mains Replacement Project, increasing the total project cost to \$1,767,179. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Carollo Engineers, Inc. in the amount of \$1,647,536.50 to provide final engineering design, permitting, and construction services, increasing the total Purchase Order amount to \$1,719,939;
9. Authorization for the General Manager & CEO to execute the Joint Participation Agreement with the City of Orlando for Phase 5 of the Dowden Road Extension Project. Approval of a Capital Expenditure Estimate for construction, administration, and inspection costs necessary to complete

Phase 5 of the project in the amount of \$2,819,983.22. Approval of a Purchase Order to the City of Orlando to provide construction management and construction services for the project in the amount of \$2,623,240.20;

10. Approval of an OUC initiated scope change and conforming Change Order No. 1 to CPH, Inc. in the amount of \$162,651.18 to provide final engineering, permitting, construction and engineering support services, increasing the total Purchase Order amount to \$257,321.20;
11. Approval of the Capital Expenditure Estimate for the Fault Location, Isolation, and Service Restoration Project in the amount of \$515,914.45;
12. Ratification of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$74,865.28 for additional construction costs for Wiregrass Subdivision - Phases 1 & 2, increasing the total project cost to \$508,477.19;
13. Approval of the Capital Expenditure Estimate for Wiregrass Subdivision - Phases 3 & 4 for the installation of lighting facilities in the amount of \$790,874.25;
14. Approval of additional funding in the amount of \$360,000 with conforming Change Order No. 1 to USIC Locating Services, LLC and Breakpoint Surveying and Underground to continue providing underground facilities line locating services, increasing the total Purchase Orders aggregate amount to \$3,730,000;
15. Authorization for the General Manager & CEO to execute Real Estate Purchase Agreements and associated closing documents, subject to final legal review, as necessary for the purchase of real estate as required for the proposed Rocky Pond 230kV interconnection substation in an amount not to exceed \$920,000;
16. Authorization for the General Manager & CEO to execute Real Estate Purchase Agreements and associated closing documents, subject to final legal review, as necessary for the purchase of real estate as required for the proposed Storey Bend 230kV interconnection in an amount not to exceed \$1,500,000. Approval of a Purchase Order to KEMCO Industries, LLC for substation protection and control switchboard panels in the amount of \$530,000;
17. Authorization for the General Manager & CEO to execute Real Estate Purchase Agreements and associated closing documents, subject to final legal review, as necessary for the purchase of real estate as required for the proposed St. Cloud West Substation in an amount not to exceed \$7,700,000. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$7,700,000 for procurement of substation property necessary for the proposed St. Cloud West Substation Addition & Transmission Line Expansion Project, increasing the total project cost to \$7,799,750;
18. Approval of RFQ #5245 – Contract award to G&W Electric Company, the lowest, most responsive, and responsible quote, to provide 230kV High Pressure Fluid Filled Terminators in the amount of \$1,020,000. Approval of RFP #5280 – Contract award to Elecnor Hawkeye, LLC, the lowest, most responsive, and responsible supplier to provide pipe integrity testing services in the amount of \$315,000. Approval of a Purchase Order to KEMCO Industries, LLC to provide substation switchboard panels in the amount of \$465,000. Approval of a Purchase Order to Dis Tran Steel,

LLC to provide lattice steel tower reinforcements in the amount of \$185,000;

19. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$187,469.10 for the Staff and Mutual Aid Resource Tracking Project, increasing the total project cost to \$609,844.14. Approval of a Purchase Order to VASS Solutions, LLC to provide program implementation, organizational change management, and training services in the amount of \$187,000;
20. Approval of Change Request No. 4 to the Capital Expenditure Estimate in the amount of \$7,000,000 for additional transmission line construction services costs for the St. Cloud 230kV Transmission Line Project, increasing the total project cost to \$128,873,000. Approval of an OUC initiated scope change and conforming Change Order No. 5 to Burns & McDonnell, Inc. in the amount of \$4,600,000 for field construction management services for the northern segment, increasing the total Purchase Order amount to \$15,613,000. Approval of an OUC initiated scope change and conforming Change Order No. 5 to Golder Associates, Inc. in the amount of \$300,000 to continue providing environmental consulting and permitting services, increasing the total Purchase Order amount to \$1,148,106. Approval of RFP #5231 – Contract award to Southeast Power, Corp., the lowest, most responsive, and responsible supplier to provide transmission line construction services for the northern 15 miles of overhead 230kV circuit, and 1 mile of underground 230kV circuit in the amount of \$65,000,000. Approval of a Purchase Order to Meyer Utility Structures, LLC to provide poles for the northern 15 miles in the amount of \$13,500,000;
21. Approval of a single source Purchase Order to CSS International, LLC for continued JD Edwards EnterpriseOne Managed Services in the amount of \$923,970;
22. Approval of a sole source Purchase Order to Schneider Electric Smart Grid Solutions, LLC for software maintenance and support for the ArcFM Geographic Information System software in the amount of \$188,014.20;
23. Approval of a Capital Expenditure Estimate for the IBM Cognos Data Manager Conversion Project in the amount of \$627,830. Approval of a single source Purchase Order to Motio, Inc. for IT professional services in the amount of \$464,112;
24. Approval of a Purchase Order to Vendor No.100000 for cyber security software subscriptions in the amount of \$504,990;
25. Approval of Change Request No. 1 to the Capital Expenditure Estimate for the Demonstration of Integrated Hydrogen Production & Consumption for Improved Utility Operations Project in the amount of \$8,266,000 for the implementation of hydrogen technologies through a DOE grant, increasing the total project to \$9,516,000;
26. Approval of RFQ #5229 – Contract award to McGrath Rent Corp dba Mobile Modular Management Corp, the most responsive and responsible quote, for the Stanton Energy Mobile Modular Unit rentals in the amount of \$283,956;
27. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Allied Doors and Hardware Company Inc. d/b/a Overhead Door Company of Central Florida in the amount of \$146,494 to continue providing maintenance and repair services, increasing the total Purchase

Order amount to \$444,769;

28. Approval of an OUC initiated scope change and conforming Change Order No. 1 to PayFlex Systems USA, Inc. in the amount of \$1,650,000 to continue providing Health Reimbursement Account administration services and claim reimbursements, increasing the total Purchase Order amount to \$4,545,000;
29. Approval of an OUC initiated scope change and conforming Change Order No. 3 to The Visibility Company dba Propel Inc. in the amount of \$97,000 to continue providing software and administration services, increasing the total Purchase Order amount to \$429,220;
30. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Faneuil in the amount of \$1,434,856.76 to continue providing call center services for customer payment extensions, billing, stop services, and back office increasing the total Purchase Order amount to \$4,769,500.90; and
31. Authorization for the General Manager & CEO to execute the Subordination of Easement Agreement to Osceola County for easement property located south of Boggy Creek Road and west of Tindall Acres Road.

New Business

Motion: On a motion by Commissioner Mills and seconded by Mayor Dyer, New Business Item 1 was adopted and accepted as follows:

- NB-1 Adoption of the proposed retail electric fuel prices effective June 1, 2023, pending Florida Public Service Commission review.

Presentation

Commissioner Calvet provided the April 18, 2023 Special Audit–Finance Committee Report. The Special Audit–Finance Committee (Committee) meeting was held on April 18, 2023. The Committee was presented with an overview of the proposed issuance of the Series 2023A Bonds for recommendation for Board approval. The Committee recommends Board approval of the Series 2023A Bond Resolution and Appendices. The Committee also reviewed the retail electric fuel pricing update to be presented at the Pricing Workshop in advance of the May 9, 2023 Commission meeting.

Motion: Commissioner Calvet moved to adopt the Series 2023A Utility System Revenue Bond Resolution. Mayor Dyer seconded, and the motion carried unanimously.

* * *

Mindy Brenay presented the preliminary Financial Report. Commissioner Calvet inquired if GOAA is meeting OUC's expectations in reference to the new chilled water plant. Ms. Brenay explained that GOAA is exceeding OUC's expectations, and Wade Gillingham agreed. Commissioner Mills then asked if GOAA's new terminal C has contributed to the increase of services, speed, and efficiencies. Ms. Brenay agreed, stating the occupancy at terminal C is stronger and travel is up. Mr. Bullock

expanded on the higher than anticipated wholesale revenues. Refer to the Appendix for more information.

General Manager Comments

Kevin Noonan provided the State and Federal Legislative Update. Mr. Bullock clarified the Demonstration of Integrated Hydrogen Production & Consumption for Improved Utility Operations Project is not a part of the IRA and OUC is continuously looking at project options and industry changes. He continued by stating the entire industry is also looking at the DOE transformer rule. Refer to the Appendix for more information.

Commissioners' Comments

Commissioner Calvet applauded OUC's efforts in the wellness portion of the meeting. He expressed excitement for the hydrogen project and added it is always good to hear positive financials and the reduction of fuel prices.

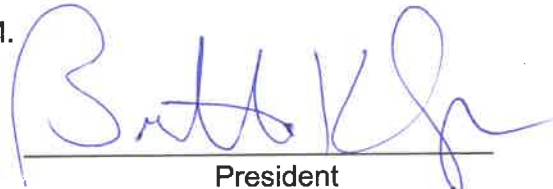
Commissioner Chapin had no comment.

Mayor Dyer applauded the rate reduction.


President Gross had no additional comment.

Commissioner Mills expressed satisfaction for the price reduction and thanked everyone's efforts. He stated that he is amazed at how OUC leverages its capital expenditures and strategic plans. He found Mr. Gillingham's presentation regarding the Lake Highland Water Treatment Plant very enlightening and concluded by stating the importance to be a recipient of the DOE grant.

President Gross adjourned the meeting at 3:41 P.M.



President



Secretary



Recording Secretary

APPENDIX

Water Color Project

<https://youtu.be/wxUtvdeE4Q4>

Community Recognition

Gold Certification Status – Harvard’s Wellness Workdays Program

2023 Earth Month Community Volunteer Project

https://youtu.be/D2rxWYLn_Eo

Affirmative Item

Lake Highland Water Treatment Plant Proposed Project Improvements

US DOE Grant:

Demonstration of Integrated Hydrogen Production & Consumption for Improved Utility Operations

New Business

NB-1 Electric Fuel Prices

Presentation

PRES-1a Preliminary Financial Report.

General Manager Comments

Legislative Update

Gold Certification Status
Harvard's Wellness Workdays Program

OUC Named Best Wellness Employer For the Sixth Consecutive Year

Latisha Thompson
Chief Employee Experience Officer
Commission Meeting – May 9, 2023



2

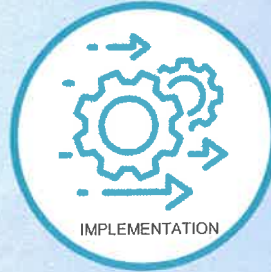
OUC Scores Well in All Four Categories



ASSESSMENT



STRATEGY



IMPLEMENTATION

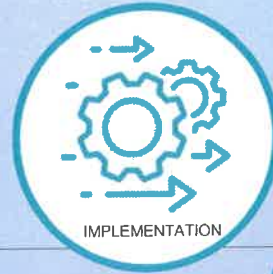


EVALUATION



OUC Stands out in Assessment and Implementation

- ▶ Using health data to determine programming
- ▶ Providing variety in programs and how they are offered



OUC Determines Employee Needs w/ Data

Programming Designed to Meet Those Needs

High Blood Pressure

Obesity (BMI > 30)

Hemoglobin A1c Diabetes

**NEW DAY,
NEW WAY**



5

Variety is a Winning Recipe Virtual Options

- ▶ Education sessions with a registered dietitian
- ▶ Guided meditations
- ▶ Online exercise classes
- ▶ Stress recovery courses
- ▶ And more!



OUC
The Reliable One

6

Variety is a Winning Recipe In-person Options

- ▶ Seed-to-table gardening and cooking classes
- ▶ 5ks and half-marathons
- ▶ American Cancer Society education sessions
- ▶ Screenings – skin cancer, biometric, and more.



OUC
The Reliable One

“ The OUC Wellness Program gave me an opportunity to be proactive with my mental and physical health. Overall, I learned that my ‘wellbeing’ wasn’t just what I was eating or not eating.



Angel Anderson
Billing Operations Specialist




**Thank you to our
Well-being Champions!**

2023 Earth Month Community Volunteer Project
https://youtu.be/D2rxWYLn_Eo

2023 Earth Month Community Volunteer Project




**Lake Highland Water
Treatment Plant Proposed
Project Improvements**




Lake Highland Water Treatment Plant Proposed Project Improvements

Wade Gillingham
 Vice President, Electric and Water Production
 Agenda Items A-4 through A-8
 Commission Meeting – May 9, 2023


1 RELIABLE • AFFORDABLE • SUSTAINABLE



OUC Water System



2 RELIABLE • AFFORDABLE • SUSTAINABLE



Lake Highland Water Treatment Plant

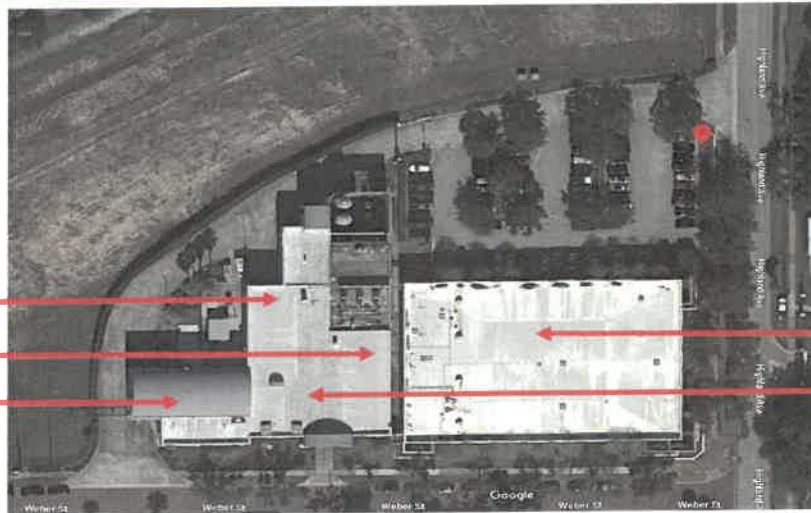
- OUC's second largest WTP, permitted and constructed in 1999
 - Design 30.4 Million Gallon per Day (MGD)
 - Peak 48 MGD
 - CUP Limit 19.5 MGD
 - Current 14.3 MGD
 - Range 12 – 15 MGD
- Powered by two electrical feeds from OUC substation 1
 - No longer meets Florida Department of Environmental Protection's definition of redundant power
- Wells are located off site
 - Constructed between 1957 and 1958
 - Piping to the plant is of same vintage



3

RELIABLE • AFFORDABLE • SUSTAINABLE

Lake Highland WTP Existing Site



OZONE GENERATORS
OZONE CONTACTOR
CHLORINE BUILDING

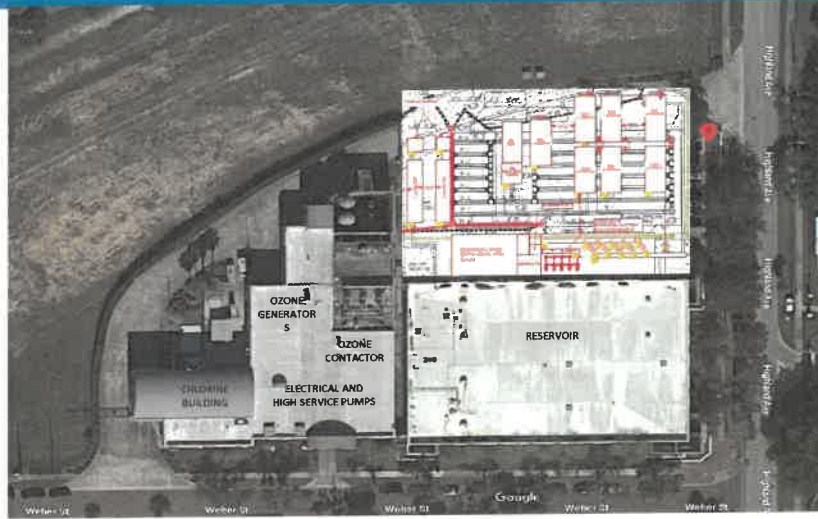
RESERVOIR
ELECTRICAL AND HIGH SERVICE PUMPS



4

RELIABLE • AFFORDABLE • SUSTAINABLE

Lake Highland WTP Conceptual Layout



5

RELIABLE • AFFORDABLE • SUSTAINABLE



Lake Highland WTP Generator Replacement / Ozone Injection



Ozone Generator



Direct Injection

* Ozone Generator Lake Highland and Direct Injection Southwest

6

RELIABLE • AFFORDABLE • SUSTAINABLE



Lake Highland WTP Granular Activated Carbon



* Granulated Activated Carbon Conway



7

RELIABLE • AFFORDABLE • SUSTAINABLE

Lake Highland WTP Emergency Generators / Electrical Reliability



* Emergency Gen Sets Conway



8

RELIABLE • AFFORDABLE • SUSTAINABLE

Lake Highland WTP Chlorine Conversion



* Bleach Vessels and Pumps Conway



Lake Highland WTP Improvements Well Locations



Approximately 4,100 feet of raw water piping will be replaced.



Path Forward

- Final Engineering required to better forecast market cost such as material, equipment, and construction cost
- CMAR will work with engineer to ensure costs are optimized
- Price volatility may lead to project prioritization
- Previous cost/estimates are not suitable proxy
- Past approach would bundle projects into a mega-project
- New approach may require a phased approach driven by cost, schedule, material/labor availability, and constructability



11

RELIABLE • AFFORDABLE • SUSTAINABLE

Lake Highland WTP Improvements Requested Engineering Costs

A-4	Sodium Hypochlorite Conversion Project	\$ 250,000
A-5	Ozone Generator Replacement Project	\$ 304,000
A-6	Emergency Generators/Electrical Reliability Project	\$ 1,040,000
A-7	Granular Activated Carbon Treatment System Project	\$ 1,715,000
A-8	Wells Rehab/Water Mains Replacement Project	\$ 1,648,000
Total		\$ 4,957,000



12

RELIABLE • AFFORDABLE • SUSTAINABLE

Lake Highland Water Plant Facts

- Lake Highland Water Plant was Permitted in 1999 as part of Water Project 2000
 - Original plant was part of Lake Highland Power Plant footprint
- Design is 30.4 MGD and with a peak of 48 MGD
- CUP limit for Lake Highland is 19.5MGD
- Two electrical feeds from OUC substation 1
 - Dual feeds no longer meet FDEP's definition of redundant power
- Wells are located off site
 - Wells were constructed in 1957 – 1958 time frames
- Piping from wells to the plant are also of same vintage
- Approximately 4,100 feet of raw water piping will be replaced.



**US DOE Grant:
Integrated Hydrogen Production &
Consumption for Improved Utility
Operations**

US DOE Grant: Integrated Hydrogen Production & Consumption for Improved Utility Operations

Linda Ferrone, Chief Customer & Marketing Officer
Justin Kramer, Manager, Emerging Technologies and Renewables
Agenda Item 25
Commission Meeting – May 9, 2023



Partner and Timeline Shifts Have Occurred

August 2019 / October 2019

Award Notice received and Commission approved OUC capital expenditure estimate of \$1,250,000 for expenses related to capital purchases, such as fuel cell vehicles and site upgrades. Giner ELX was the grant prime recipient and OUC was a sub recipient.

June 2019 – July 2020

Giner ELX ownership changed causing partnership restructuring and departures

August 2020 – September 2022

OUC sought and received DOE approval to become the grant prime recipient

Sept 2022 - Present

OUC developed and finalized budget and relevant documentation to serve as grant prime recipient

Additional Responsibilities for OUC as Prime

- Reporting leadership
 - Quarterly and Annual project reporting
 - Presentations at DOE meetings (e.g. Annual Merit Review in June 2023)
- Project cost management leadership
 - Manage financial reporting to DOE
 - Receive DOE funding and reimburse partners
- Cost share increase

3

RELIABLE • AFFORDABLE • SUSTAINABLE



OUC will Address Grant Funding Risks

- OUC entering into reimbursement agreements with partners to defray financial risk
- OUC is assessing grant requirements for DOE and other funding organizations to ensure we can meet these over time
- OUC will align DOE funding payments with quarterly progress and expenditures to minimize financial risk

4

RELIABLE • AFFORDABLE • SUSTAINABLE



H2@Scale Project Overview

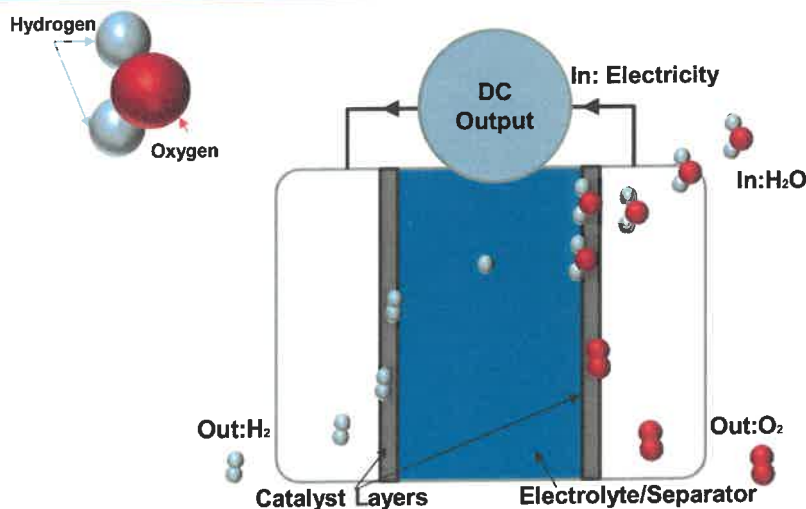
- H2@Scale grant from DOE
 - “To enable affordable and reliable large-scale hydrogen generation, transport, storage, and utilization across multiple sectors”
 - DOE has expressed strong interest in OUC as site host
- OUC’s involvement:
 - Will provide institutional knowledge of hydrogen technologies and its multiple uses in support of our clean energy goals
 - Will gain \$5M in equipment assets that stay with OUC after the grant is completed

5

RELIABLE • AFFORDABLE • SUSTAINABLE



Hydrogen Production: Electrolyzer



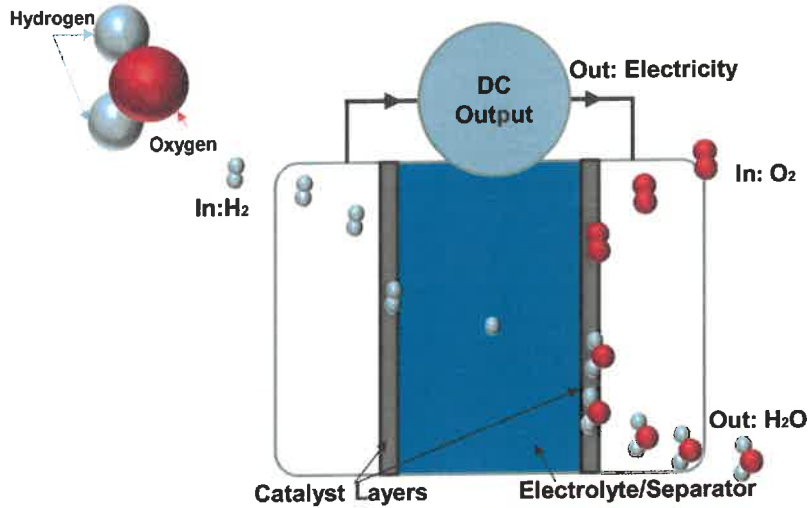
- Water is present at one or both electrodes
- Oxygen is produced at Positive (high voltage) electrode
- Hydrogen is produced at Negative (low voltage) electrode
- Efficiency: 60-80%

6

RELIABLE • AFFORDABLE • SUSTAINABLE



Hydrogen Consumption: Fuel Cells



- Electrochemically convert hydrogen and oxygen into water and electricity.
- Water produced is very high purity.
- Efficiency: 40-60%



7

RELIABLE • AFFORDABLE • SUSTAINABLE

Hydrogen Use Cases

PV Smoothing

Dispatch electrolyzer as controllable load to manage PV fluctuations.

Scalable Storage

Future expansion through addition of tanks

Fuel Cell EV

Use hydrogen in heavy duty fuel cell electric vehicles.

Markets

Rocket Fuel
Fertilizer
Forklift Fuel
Clean Back-Up Gen.

GENERATE H₂
Electrolyzer

STORE H₂
Tanks

CONSUME H₂
Fuel Cells

Baseload

Dispatch electrolyzer during low-load scenario to avoid unit shutdown.

Back-up Energy

Utilize fuel cells (Stationary and Mobile) to generate electricity at remote sites during outage.

Peak Shaving

Utilize fuel cells to generate on-site electricity for peak shaving.

Scope changes by OUC as Prime.



8

RELIABLE • AFFORDABLE • SUSTAINABLE

Proposed Equipment Layout at Gardenia

Upgrade to 1MVA transformer

Existing Grid Integration Lab (GIL)

- EV chargers (including V2G)
- Flywheel energy storage
- Flow battery energy storage
- Floating solar PV
- Site controller
- Microgrid-ready

Hydrogen Project Additions

- Electrolyzer
- Storage
- Mobile fuel cell
- Fuel cell vehicle
- Dispensing
- Dispatch integrated with GIL site controller

9

RELIABLE • AFFORDABLE • SUSTAINABLE



Project Budget

Partner	Budget
Federal	\$ 3,583,000
Partner Cost Share Contributions	\$ 1,891,000
OUC Cost Share Contributions	\$ 4,042,000
Total Project Costs	\$ 9,516,000

Note: Once the contract with the DOE is finalized and reimbursement agreements with the various partners are executed, purchase orders will be brought to the Commission for approval at a future date.

10

RELIABLE • AFFORDABLE • SUSTAINABLE



Recommended Action

Commission approval of Change Request No. 1 to the Capital Expenditure Estimate for the Demonstration of Integrated Hydrogen Production & Consumption for Improved Utility Operations Project in the amount of \$8,266,000 for the implementation of hydrogen technologies through a DOE grant, increasing the total project to \$9,516,000.

Presentation
PRES-1a Preliminary Financial Report.

Financial Report

\$ in millions	April 2023			
	Actual	Budget	\$ Δ	% Δ
Retail and Wholesale Electric Revenues	\$ 296.1	\$ 294.1	\$ 2.0	0.7%
Water, Chilled Water and Other Revenues	101.6	99.8	1.8	1.8%
Total Revenues, excluding Fuel Revenues	397.7	393.9	3.8	1.0%

DRAFT

Overview

- Total Revenues, excluding Fuel Revenues were \$3.8 million higher than Budget
 - Unexpected wholesale revenues of \$8.7 million substantially offset the impact of the retail electric base price reduction approved by the Board in October 2022
 - Stronger than anticipated chilled water revenues as a result of two new chilled water plants
- Fuel Revenues have allowed for fuel reserves to move positive - \$1.5 million favorable



RELIABLE • AFFORDABLE • SUSTAINABLE

General Manager Comments
Legislative Update

State & Federal Legislative Update

Kevin Noonan, Director of Legislative Affairs

OUC Commission Meeting
May 9, 2023



1

RELIABLE • AFFORDABLE • SUSTAINABLE

State Update



2

RELIABLE • AFFORDABLE • SUSTAINABLE

State Legislative Update – Overview

State Legislative Session:

- 60 days – March 7 to May 5
- 1,873 bills were filed
- 1,828 passed both the House and Senate (19.5%)
- 24 bills have been signed by governor, no vetoes

Republican supermajorities in House and Senate

- Little need for bipartisanship
- Republican / DeSantis agenda easily progressed

State Budget:

- \$117B – largest budget in state history (\$112B in 2022)
- Governor has 15 days after receipt to make line item vetoes and approve budget



3

RELIABLE • AFFORDABLE • SUSTAINABLE

OUC 
The Reliable One[®]

State Legislative Update – Headline Issues

- Universal school choice/vouchers
- Permitless concealed carry of firearms
- Increased reproductive rights limitations
- Live local – affordable housing funding and incentives
- Lawsuit abuse reform
- No ESG measures used in government financial-decision making
- Union dues collection limitations
- Limitations on socially conscious programs at state universities
- Immigration and elections reform
- Ongoing feud with Disney
- Banning gender-affirming care for minors
- Additional limitations on discussing gender / sexual identity in schools



4

RELIABLE • AFFORDABLE • SUSTAINABLE

OUC 
The Reliable One[®]

State Legislative Update – Key Issues

Two key bills of interest to OUC:

- HB 1331 and SB 1380 – Municipal Utilities
- HB 1645 – Gainesville / Alachua County



Other bills:

- HB 7057 / SB 250 – Natural Emergencies
- SB 284 / HB 1025 – Energy and Energy Efficiency
- HB 23 / SB 162 – Water & Wastewater Facility Operators
- SB 626 / HB 1221 – Rural Electric Cooperatives
- HB 645/ SB 908 – Unmanned Aircraft Systems Act (Drones)
- HB 439 / SB 1604 – Land Use & Development Regulations
- HB 401 / SB 604 – Sovereign Immunity
- SB 1176 / HB 1591 – Electric Vehicle Infrastructure
- SB 1070 – License Taxes (EV Fees)
- HB 1239 / SB 304 – U.S. produced iron/steel for public works projects



5

RELIABLE • AFFORDABLE • SUSTAINABLE

State Legislative Update – Key Issues

Municipal Utilities – House Bill 1331 & Senate Bill 1380

- Legislation did not pass.
- These bills proposed three main changes to municipal utility operations:
 1. Restriction of funds transferred to city general funds
 2. Modification of provisions relating to permissible rates, fees, and charges on customers located outside municipal boundaries
 3. Placement under full jurisdiction of Florida Public Service Commission (Senate bill only) if customers reside outside city limits
- Had these bills passed, municipal utilities would be under state control rather than local control.
- We will likely see similar legislation next year.



6

RELIABLE • AFFORDABLE • SUSTAINABLE

State Legislative Update – Key Issues

HB 1645 Gainesville/Alachua County (Gainesville Regional Utilities Authority)

- Bill passed; awaiting governor's action
- Amends city charter to establish Gainesville Regional Utilities Authority
- Details Authority's governance, leadership structure, duties, and power
 - Establishes Authority as unit of city government, free from direction and control of city commission
 - Establishes powers and duties of Authority
 - Authority to consist of five governor-appointed members
 - Provides orderly transition to Authority and continued service of GRU personnel under chief executive officer/general manager (CEO/GM)
 - GRU CEO/GM to be appointed by Authority, not City Council
 - Limits transfers from Authority to the city
 - Requires Authority to make all policy and operational decisions based only on financial/economic factors and utility industry best practices



7

RELIABLE • AFFORDABLE • SUSTAINABLE

State Legislative Update – Other Issues

HB 7057 / SB 250 Natural Emergencies – Protects IOUs from liability for damages caused by changes in reliability, continuity, or quality of services due to natural emergencies.

SB 284 / HB 1025 Energy and Energy Efficiency – Revises state vehicle procurement requirements by requiring purchases be selected based on lowest lifetime ownership costs rather than greatest fuel efficiency. Bill requires state to make recommendations regarding electric vehicle procurement and best practices for integrating these vehicles into existing fleets.

HB 23 / SB 162 Water & Wastewater Facility Operators – Requires Florida Department of Environmental Protection to issue reciprocal licenses to water utility workers licensed in other jurisdictions (or military) who meet certain criteria.



8

RELIABLE • AFFORDABLE • SUSTAINABLE

State Legislative Update – Other Issues

SB 626 / HB 1221 Rural Electric Cooperatives – Authorizes rural electric cooperatives to provide communication services if broadband service is provided or broadband grant funding is received. If co-op engages in broadband service, all poles owned by co-op are subject to FPSC’s regulation of pole attachments.

HB 645/ SB 908 Unmanned Aircraft Systems Act (Drones) – Prohibits public use of a drone over “critical infrastructure facilities,” now defined to include water and wastewater plants (electric facilities were already included). Bill prohibits drones used for commercial transit to operate over critical infrastructure facilities.

HB 439 / SB 1604 Land Use & Development Regulations – Makes electric substations and ancillary structures a permitted land use in future land-use categories and zoning districts, except for those designated for preservation, conservation, or historic preservation. Local governments may adopt regulations concerning setback, landscaping, and other aesthetic standards.



9

RELIABLE • AFFORDABLE • SUSTAINABLE

OUC 
The Reliable One®

State Legislative Update – Other Issues

HB 401 / SB 604 Sovereign Immunity – Would increase or eliminate statutory limits on sovereign immunity for local and state governments.

SB 1176 / HB 1591 Electric Vehicle Infrastructure – Would require PSC to adopt rules for IOU EV charging and infrastructure that is cost-based. Would disallow rate-based investments for EV infrastructure and would have required IOUs to divest of utility-owned EV infrastructure to an unregulated subsidiary.

SB 1070 License Taxes (EV Fees) – Would impose additional registration fees on EVs (\$200 - \$250) and plug-in hybrid EVs (\$50 - \$100) through 2031.

HB 1239 / SB 304 U.S. Produced Iron & Steel in Public Works Projects – Would require a governmental entity using state funds to use U.S. made iron and steel. Exemption made for electrical equipment other than transmission and distribution poles. Certain exemptions also given for pricing, availability, and public interest.



10

RELIABLE • AFFORDABLE • SUSTAINABLE

OUC 
The Reliable One®

Federal Update



11

RELIABLE • AFFORDABLE • SUSTAINABLE



Federal Update - 118th Congress

Republican House

- 222 Republicans – 213 Democrats
 - 75 Freshman members
- 3rd largest in 30 years
- House Rules changes
 - Open Rules
 - Speaker No-Confidence Vote
- Republicans can't lose more than four members on partisan vote

Democratic Senate

- 51 Democrats (48D +3 Independents)
- 49 Republicans
- 7 Freshman Senators
- 3 House Alums
- Health vacancies



12

RELIABLE • AFFORDABLE • SUSTAINABLE



Federal Update – 118th Congress

FERC Commissioner Nominations

- Replacement for Richard Glick
- Remaining 4 members - 2Ds/2Rs
- FERC agenda stalled

Cyber/Physical Security Legislation

- Possible new physical security standards
- Extension of compliance obligations to small distribution utilities

Permit Reform Legislation

- Transmission title key to Progressive support

Environmental Justice

- Executive Order
- Likely impacts permitting and renewals
- Unknown cost of compliance

Tax

- Rescission of IRA provisions
- Revenue requirements
- Municipal bond exemption

Debt Ceiling Negotiations

- General financial market impacts
- Rescission of funding for Inflation Reduction Act (IRA) /Infrastructure Investment and Jobs Act (IIJA) programs of interest to electric utilities
- Funding cuts that impact payment obligations such as Build America Bonds, direct pay tax credit programs, etc.



OUC 
The Reliable One®

13

RELIABLE • AFFORDABLE • SUSTAINABLE

Federal Update – Cyber & Physical Security

House Energy and Commerce Committee Action

- H.R. 1160, Critical Electric Infrastructure Cybersecurity Incident Reporting Act
- Requires reporting of cyber, and potential cyber incidents to DOE

Senate Energy and Natural Resources Committee Action

- 3/23 Hearing on Cybersecurity vulnerabilities to U.S. Energy Infrastructure
- Draft cybersecurity legislative proposal: Cybersecurity Baselines for Distribution Utilities and Energy Resources
- PURPA 111(d) "must consider" requirement for distribution utilities with more than 500M kWh sales

Physical Event Response

- Attacks on substations noticed
- FBI Briefings
- What can Congress do?

14

RELIABLE • AFFORDABLE • SUSTAINABLE

OUC 
The Reliable One®

Federal Update – Debt Ceiling & Permitting Reform

House passed H.R. 2811, Limit, Save, Grow Act (LSGA) by 217 to 215

- After two days of negotiations, final version passed by House included increase in debt limit by \$1.5 trillion or through March 31, 2024
 - Could be a viable vehicle if there is time to pull together a consensus bill
- Inclusion of **H.R. 1 (Lower Energy Costs Act)** within this bill is expected to have major impacts on how transmission infrastructure is permitted and paid for as well as other impacts to utilities

H.R. 2811 also:

- Repeals parts of Inflation Reduction Act (IRA), including clean energy credits and possible sequestration of Build America Bonds
- Caps discretionary spending at FY 2022 levels
- Limits growth of budget to 1% per year over next decade
 - 1% limitation on growth does not apply to defense spending so it would result in deep cuts to all non-defense programs

Next Steps:

- Senate must pass version that can meet 60-vote threshold



15

RELIABLE • AFFORDABLE • SUSTAINABLE

OUC 
The Reliable One®

Federal Update – H.R. 1 - The Lower Energy Costs Act

House Natural Resources, Transportation & Infrastructure, and Energy and Commerce Legislative Package

- Time and scope limits on certain environmental reviews (shot clocks)
- Exempts transmission upgrades from National Environmental Policy Act review
- Limits judicial reviews of permitting decisions
- Limits states authority in certain Clean Water Act permitting decisions
- Repeals Inflation Reduction Act (IRA) provisions on methane fees and \$27B Green House Gas Reduction Fund
- Repeals IRA funding for home efficiency grants, code adoption, and training

Very Partisan Bill

- Of 150 Amendments filed, only one was bipartisan
- Requires FERC to adopt "Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection Act" within 180 days
- Senate Majority Leader Chuck Schumer: "Bill is DOA in Senate"



16

RELIABLE • AFFORDABLE • SUSTAINABLE

OUC 
The Reliable One®

Federal Update – Supply Chain Concerns

Transformer and Supply Chain Issues are still Persistent

- American Public Power Association (APPA), Large Public Power Council (LPPC), OUC, and utilities nationwide have made supply chain issues top priority for 2022/2023.
- Hundreds of legislative contacts have been made on this issue.
- APPA, LPPC, Florida Delegation, and other states have sent letters to Federal Emergency Management Agency advocating for the Defense Production Act (DPA) to be used to ease transformer supply issues.
- Florida Delegation letter to Department of Energy is in the works.
- Numerous associations, along with OUC, have messaged White House for support to use DPA, but with no success.



DOE Transformer Rule

- A proposed DOE rule to strengthen transformer efficiency has been released. Comment period has recently closed.
- In current form, it could dramatically affect transformer availability over the next seven years.
- APPA/LPPC/OUC and others actively voicing concerns.

17

RELIABLE • AFFORDABLE • SUSTAINABLE

OUC 
The Reliable One®