



MINUTES
March 5, 2024
2:00 P.M.

Present:

COMMISSIONERS:

- Larry Mills, President
- Roger Chapin, First Vice President
- Britta Gross, Immediate Past President
- Linda Landman Gonzalez, Commissioner

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

The March 5, 2024 Commission Meeting was held in person at the Orlando Utilities Commission’s Reliable Plaza Commission Chambers.

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President Mills asked LaShun Nale-Stadom to provide the Safety and Security protocols for the meeting.

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Moment of Reflection

President Mills asked Alandus Sims to provide the moment of reflection.

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Pledge of Allegiance

President Mills called for the Pledge of Allegiance to the Flag.

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Call to Order

The Commission Meeting was called to order at 2:04 P.M. President Mills noted that Mayor Dyer was not in attendance, acknowledging a quorum was present.

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Consideration of the Minutes

MOTION: On a motion by Commissioner Chapin; seconded by Commissioner Gross and unanimously carried, the reading of the January 23, 2024 Commission Meeting minutes was waived and the minutes were approved.

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Service Awards

LeMoyné Adams presented a 20-year service award to Nioker White, Supervisor of Water Metering.

* * *

Employee / Community Recognition

Mr. Adams presented on the FMEA Florida Lineman Competition, which took place on February 23 – 24 and was hosted by Jacksonville Electric Authority in Jacksonville, FL. He stated the competition promotes best practices and helps prepare municipal utilities for mutual aid events. He congratulated coaches James Alexander, Sr. Technical Trainer and Richard Boley, Lead Line Technician; as well as competitors Austin Houk and Evan Englert, Line Technicians II; and Nelson Rodriguez, Distribution Operator on their achievements. A short video was presented with some highlights of the Lineman Competition. Refer to the appendix for more information.

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Jenise Osani highlighted the annual OUC Charity Golf Tournament, which was held at the Shingle Creek Golf Club on February 17th. The tournament has served to benefit non-profit organizations in the community. Through the support of corporate partners, four nonprofit organizations were the beneficiaries of this year's tournament. Ms. Osani presented \$10,000 checks to each representative of Housing and Neighborhood Development Services of Central Florida; Back to Nature Wildlife Refuge; The Cloud Family Foundation; and - The Asian American Chamber of Commerce, thanking them for all they do and the impact they have made in the community. Refer to the appendix for more information.

Ms. Osani proceeded with an overview of the OUC Community Engagement Calendar for April. Refer to the appendix for the calendar.

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Linda Ferrone announced OUC's recognition as a 2023 Residential Customer Champion, placing first among electric utilities in Florida and fifth nationally in a nationwide customer survey. The 2023 residential study on utility trust and customer engagement, conducted by Escalent's Cogent Syndicated, engaged over 75,000 residential customers of 141 utilities across the country, focusing on human behavior and analytics. Refer to the appendix for more information.

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Affirmative Items

Mr. Bullock asked Justin Kramer, Interim Director of Emerging Technologies & Data Analytics to present on Affirmative Item A-16, Battery-Integrated High-Speed Level 3 Charging Station for Electric Vehicles Pilot. Mr. Kramer summarized OUC's path to clean energy, describing the current DC high-speed charging station design and the battery-integrated high-speed level 3 charging station. Additionally, he highlighted the charging station's reliability, benefits, and advantages. Refer to the appendix for more information.

Commissioner Gross inquired about the inclusion of SEC Unit 1 on Affirmative Item 2, Distribution Controls Systems Maintenance & Support Contract, as it relates to the contract term beyond decommissioning plans. Wade Gillingham clarified that the agenda item includes various units. He clarified pricing for Unit 1 is through December 2025, while pricing for the other units is through the duration of the contract term.

President Mills presented the affirmative items for Approval.

MOTION: On a motion by Commissioner Landman Gonzalez and seconded by Commissioner Chapin, Affirmative Items A-1 through A-19 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in October and November 2023 in the aggregate amount of \$37,665,844.77 as follows:



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NATURAL GAS PURCHASES:

October 2023	City of Lakeland	\$ 147,843.00
October 2023	Clarke-Mobile Counties	\$ 432,450.00
October 2023	ConocoPhillips	\$ 269,105.91
October 2023	EDF Trading	\$ 2,829,034.03
October 2023	Emera	\$ 453,150.00
October 2023	Gas South	\$ 466,600.00
October 2023	Mansfield Power & Gas LLC	\$ 330,385.00
October 2023	Municipal Gas Authority of Georgia	\$ 1,393,574.00
October 2023	Pathpoint Energy	\$ 134,403.26
October 2023	Southwest Energy	\$ 1,289,169.62
October 2023	Tenaska Marketing Ventures	\$ 2,454,198.35
October 2023	Texla Energy Management	\$ 1,496,607.64
November 2023	Clarke-Mobile Counties	\$ 463,500.00
November 2023	ConocoPhillips	\$ 357,177.12
November 2023	EDF Trading	\$ 1,694,775.00
November 2023	Gas South	\$ 623,981.35
November 2023	Koch Energy	\$ 604,013.33
November 2023	Municipal Gas Authority of Georgia	\$ 1,079,040.00
November 2023	Pathpoint Energy	\$ 261,387.50
November 2023	Tenaska Marketing Ventures	\$ 2,311,739.90
November 2023	Texla Energy Management	\$ 1,883,080.81

COAL PURCHASES:

October 2023	Crimson Coal Corporation	\$ 7,813,106.29
October 2023	Foresight Coal Sales, LLC	\$ 1,881,665.63
November 2023	Crimson Coal Corporation	\$ 6,215,570.48
November 2023	Foresight Coal Sales, LLC	\$ 780,286.55

2. Approval of sole source Purchase Order to Emerson Process Management Power & Water Solutions, Inc. for distributed controls systems maintenance and support in the amount of \$909,807;
3. Approval of RFP #7400 - Contract award to R.W. Summers Railroad Contractor, Inc., the lowest, most responsive, and responsible proposal to provide railroad track repair and maintenance services in the amount of \$6,437,824;
4. Approval of RFP #5288 - Contract award to Airgas, Inc. d/b/a Airgas USA, LLC, the only responsive and responsible proposal to provide bulk gas storage equipment rental services in the amount of \$315,000;
5. Approval of an OUC initiated scope change and conforming Change Order No. 5 to Veolia WTS Services USA, Inc. in the amount of \$5,432,640 to continue providing materials, services, and equipment for the Stanton Energy Center Portable Reverse Osmosis & Filtration Systems, increasing the total Purchase Order amount to \$11,177,640;
6. Ratification of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$259,980.91 for additional construction costs for the Trinity Place Subdivision – Phase 1, increasing the total project cost to \$566,908.57, with a customer contribution in the total amount of \$196,940;
7. Ratification of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$145,477.10 for additional construction costs for the Twin Lakes Subdivision - Phases 2C & 2D, increasing the total project cost to \$555,443.50, with a customer contribution in the total amount of \$167,925;

8. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$252,437.76 for additional construction costs for the Preston Cove Subdivision - Phase 1, increasing the total project cost to \$769,514.52, with a customer contribution in the amount of \$138,893;
9. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$279,661.79 for additional construction costs for the Big Sky Subdivision - Phase 1, increasing the total project cost to \$920,354.97, with a customer contribution in the amount of \$424,707;
10. Authorization for the General Manager & CEO to execute the Joint Participation Agreement Task Order No. 1 with the City of Orlando for the Marks Street and Pasadena Place Drainage Improvements Project. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$6,291,628.50 for final engineering, construction, administration, and inspection costs necessary for the Marks Street and Pasadena Place Drainage Improvements Project, increasing the total project cost to \$6,433,235.04. Approval of a Purchase Order to the City of Orlando for construction, administration, and inspection costs in the amount of \$4,318,682.88. Approval of an OUC initiated scope change and conforming Change Order No. 1 to CDM Smith, Inc. in the amount of \$259,438.75 for construction support services, increasing the total purchase order amount to \$352,552.75;
11. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$3,135,000 for matting and silt fencing for construction access necessary to complete the Taft to Convention Center 230kV Transmission Line Upgrade Project, increasing the total project cost to \$36,534,750. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Power Engineers, Inc. in the amount of \$200,000 to continue providing engineering services, increasing the total Purchase Order amount to \$3,935,000. Approval of RFP #7330 - Contract award to W. A. Chester, LLC, the lowest, most responsive, and responsible proposal to install 230kV pipe-type underground cables in the amount of \$5,162,670;
12. Approval of a Capital Expenditure Estimate for the Southwood and Turkey Lake Switchgear & Relay Replacement Project in the amount of \$3,300,000. Approval of a Purchase Order to Avail Switchgear Systems to provide two metal-clad switchgear in the amount of \$2,800,000;
13. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$1,345,000 for detailed design, material, and construction for the Azalea Substation Underground Cable and Terminator Replacement Project, increasing the total project cost to \$1,495,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Black & Veatch Corp. in the amount of \$200,000 to provide detailed engineering services and construction support services, increasing the total Purchase Order amount to \$275,000. Approval of a single source Purchase Order to Marmon Utility LLC to provide cable, terminators, and installation services in the amount of \$930,000;
14. Approval of an OUC initiated scope change and conforming Change Order No. 4 to Software AG USA Inc. in the amount of \$138,571.03 for annual software maintenance and support, increasing the total Purchase Order amount to \$630,252.96;
15. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Unify Inc. in the amount of \$235,729.28 for Interactive Voice Response software maintenance and support, increasing the total Purchase Order amount to \$551,198.63;
16. Approval of RFQ #7428 – Contract award to XCharge Energy USA, Inc, the only responsive and responsible proposal, to provide an NZS XCharge battery integrated high speed level 3 charger in the amount of \$173,000;
17. Approval of a sole source Purchase Order to Altec Industries, Inc. for large-scale utility vehicle leases in the amount of \$7,187,494;



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18. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Gemba Software Solutions Inc. in the amount of \$51,118 to continue to provide flow mapping and professional services, increasing the total Purchase Order amount to \$137,380;
19. Approval of an OUC initiated scope change and conforming Change Order No.1 to Tetra Tech, Inc. in the amount of \$49,792 to continue providing environmental permitting and oversight support services, increasing the total Purchase Order amount to \$136,112.

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Mindy Brenay presented the January 2024 Financial Report. Refer to the Appendix for more information.

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General Manager's Comments

Mr. Bullock asked Kevin Noonan, Director of Legislative Affairs and Terry Torrens, Sr. Legislative Representative to provide the State and Federal Legislative update. Mr. Noonan provided an overview of the state legislative session, citing headline issues and highlighting key bills of interest and their anticipated impacts to the utilities industry.

Ms. Torrens provided the federal update, providing the status of the federal budget and energy committees activity. Refer to the Appendix for more information.

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Mr. Bullock asked Attila Miszti to present the NERC - Long-Term Reliability Update. Mr. Miszti gave a brief overview of key electric utility regulators and background on prior weather-driven events. He shared a video of the NERC Long-term Reliability Assessment, quoting reliability concerns by FERC and NERC, and key takeaways for OUC consideration and action.

Commissioner Landman Gonzalez asked about grid interconnections with neighbors in the southern region of North America. Mr. Miszti explained that studies are being conducted on interconnection in the southern region; however, interconnections currently are predominantly in the northern region, mostly due to hydro and the benefits it provides to the U.S. grid. He concluded by stating that the northern region currently has higher capabilities in technology and standards.

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Mr. Bullock recognized OUC's employees for improving the corporate safety metric, crediting monthly Safety Executive Committee meetings; enhanced monthly safety reports tracking safety performance; and enhanced mandatory quarterly safety trainings tailored to address recent incidents. He stated that employee safety recognition breakfasts were held throughout the commission, hosted by OUC's executive team, to celebrate the collective work of all OUC employees in creating a safer workplace in 2023.

Mr. Bullock introduced Chris McCullion as the new Chief Financial Officer (CFO). Chris joins OUC with nearly 25 years of experience as a financial leader, including the past eight years as CFO for the City of Orlando, where he was a direct report and trusted advisor to Orlando Mayor Buddy Dyer. Mr. Bullock added that Ms. Brenay will closely partner with Mr. McCullion to transition the CFO's strategic and operational responsibilities over the next several months before her retirement. He concluded by thanking Ms. Brenay for more than 25 years of dedicated service to OUC and welcoming Mr. McCullion to OUC.

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Commissioners' Comments

Commissioner Landman Gonzalez stated it was an excellent meeting.

Commissioner Gross acknowledged both Mr. Kramer's and Mr. Miszti's presentations. She complimented Mr. Noonan and Ms. Torrens on organizing the legislative update and concluded by expressing appreciation for the Lineman competition.



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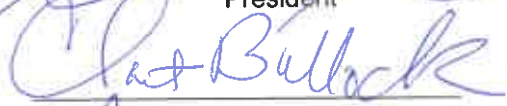
Commissioner Chapin echoed the previous comments, thanking Ms. Ferrone for providing the Escalent presentation and congratulating her on the award OUC won. He reflected on the Legislative and NERC - Long-Term Reliability presentations, stating that the utility industry may lose some autonomy but that he has great confidence in OUC.

President Mills concluded by stating that the meeting demonstrated how OUC is true to its core values. He complimented OUC on data-sharing and risk mitigation, and welcomed Mr. McCullion to his new role as CFO.


President Mills adjourned the meeting at 3:49 P.M.



President



Secretary



Recording Secretary

APPENDIX

Community Recognition

Lineman Competition – [Video](#)

2024 OUC Charity Golf Tournament – [Video](#)

OUCCommunity April Calendar of Events

Escalent Customer Champion

Affirmative Item

A-16 Battery- Integrated High - Speed Level 3
Charging Station for Electric Vehicle Pilot

Presentation

Financial Report

General Manager

State & Federal Legislative Update

NERC – Long Term Reliability Update – [Video](#)

Make Safety First Quarterly Campaign/Safety Metrics Recognition Breakfast

Community Recognition

Lineman Competition

[OUC Gears Up for the 2024 Florida Lineman Competition - YouTube](#)

FMEA Lineman Competition



LeMoyne Adams, Vice President
of Electric & Water Distribution

3/5/2024

OUC100
A Century of Reliability

Lineman Competition



OUC100
A Century of Reliability

Lineman Competition Awards

2nd Place 35kV Bell



2nd Place 600 Amp Disconnect



4th Place Overall



OUC100
A Century of Reliability

Lineman Competition Awards



The Team



FMEA Safety Award

Community Recognition

OUCommunity April Calendar of Events



In celebration of Water Conservation and Earth Month, OUC is connecting with our community through many events and educational outreach programs that engage **50,000+ RESIDENTS** and empower **300+ EMPLOYEES** to make a difference throughout the year.

EVENT DETAILS ON BACK



Paint a Brighter future Through Water Conservation

16th Annual Water Color Project Awards

April 25, 2024, 5 to 7 p.m.
Orlando Family Stage

Teaching water conservation
through art since 2006
100+ schools • 50,000 students



OUC *community*

APRIL CALENDAR OF EVENTS

OUC and Orlando Science Center Partnership Exhibits

The Tiny Green Home

- Tours ongoing

OUC Energy & Water Exhibit

- Hands-on and interactive exhibit educating on the innovative ways OUC is transforming energy and water for the future - **Coming in April!**

OUC & City Arts Partnership Exhibit

- Watercolor Project H2Show Exhibit

4/6: St. Cloud Spring Fling

- St. Cloud Lakefront

4/3-14: UCF Celebrate the Arts

- Dr. Phillips Center for the Performing Arts

4/13: OUC Earth Month Community Volunteer Project

4/17: Trash 2 Trends

- Dr. Phillips Center for the Performing Arts, 6 - 9 p.m.

4/18: National Lineman Appreciation Day

4/20: Central Florida Earth Day*

- Lake Eola Park, 10 a.m. - 6 p.m.

4/20: St. Cloud Earth Day Celebration

- Veterans Memorial Library, 10 a.m. - 2 p.m.

4/24: Administrative Professionals' Day

4/26: City of Orlando Earth Day Work Day

- City Hall Plaza, 11 a.m. - 1 p.m.
Register: orlando.gov/earthdayworkday

4/28: JDRF One Walk

- Cranes Roost Park, 8 - 11 a.m.

**Tiny Green Home will
be at Central Florida
Earth Day!*



Community Recognition

Escalent Customer Champion

Escalent Customer Champion



Linda Ferrone, Chief Customer & Marketing Officer

3/5/2024



Escalent 2023 Utility Customer Champion

#1 in Florida

#5 in the Nation

Among 141 electric utilities nationally.

Affirmative Item

A-16 Battery- Integrated High - Speed Level 3
Charging Station for Electric Vehicle Pilot

Battery-Integrated High-Speed Level 3 Charging Station for Electric Vehicles Pilot



Justin Kramer, Interim Director
Emerging Technologies and Data Analytics

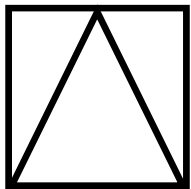
Agenda
Item #16

03/05/2024

- OUC's clean energy portfolio continues to grow.
- Distributed energy storage is needed to ensure reliability and grid stability.
- High-speed electric vehicle charging stations can require significant upgrades to the grid.
- Technology is rapidly changing and this creates risk of stranded assets.
- Understanding the risks and benefits of new technologies will help OUC plan for the future.

NB120 DC High-Speed Charging Station

150kVA
Transformer



127kW_{AC} to station

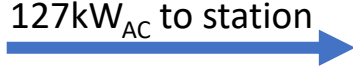
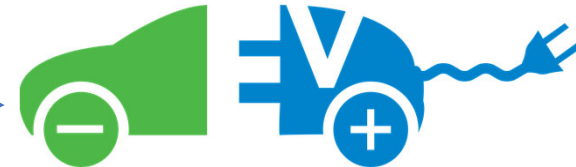
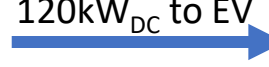
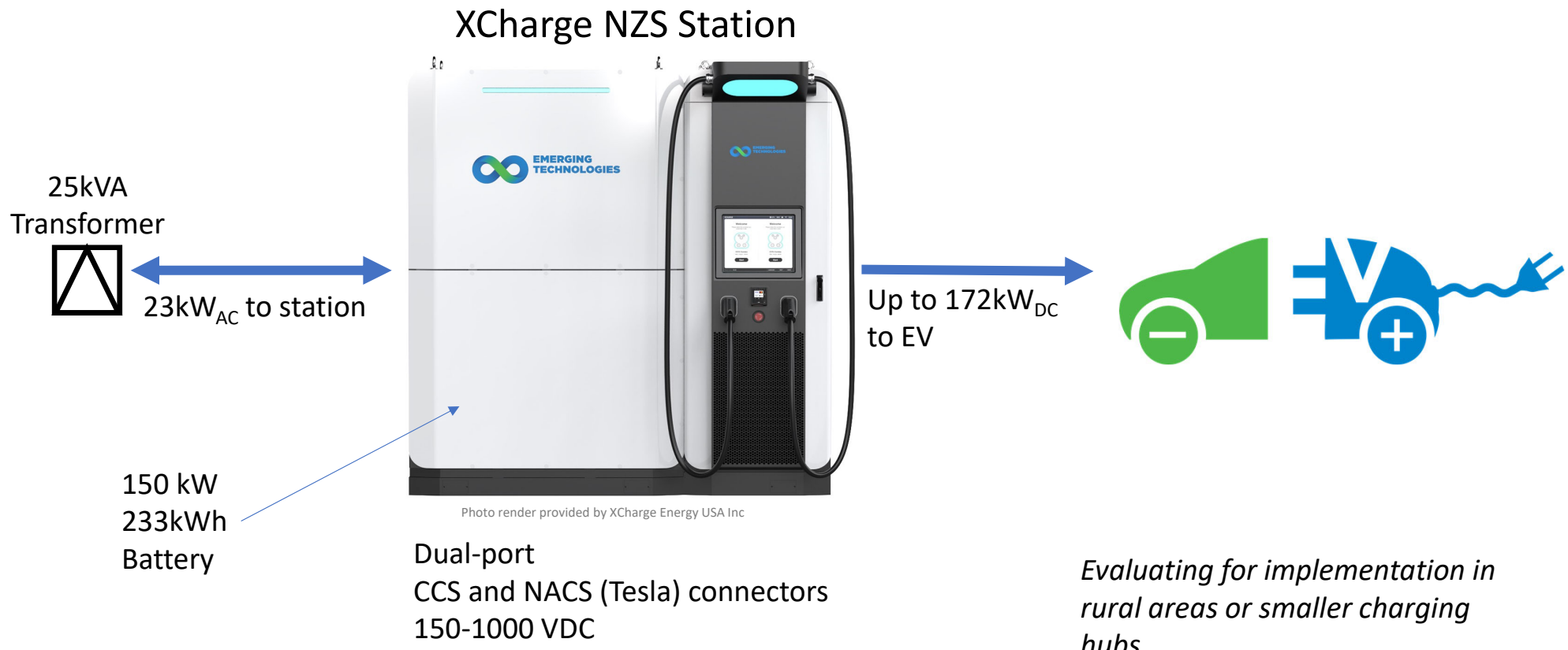


Image from OUC's Robinson Hub

120kW_{DC} to EV

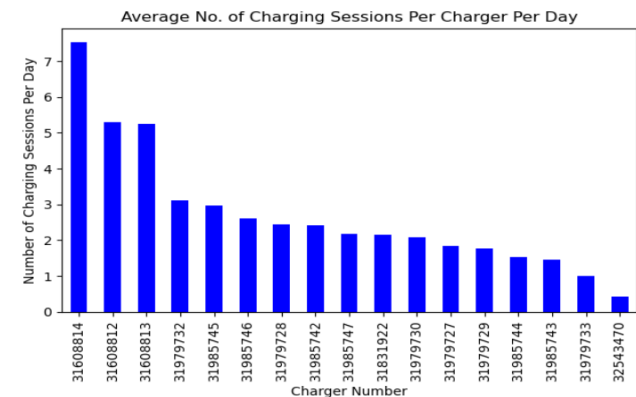
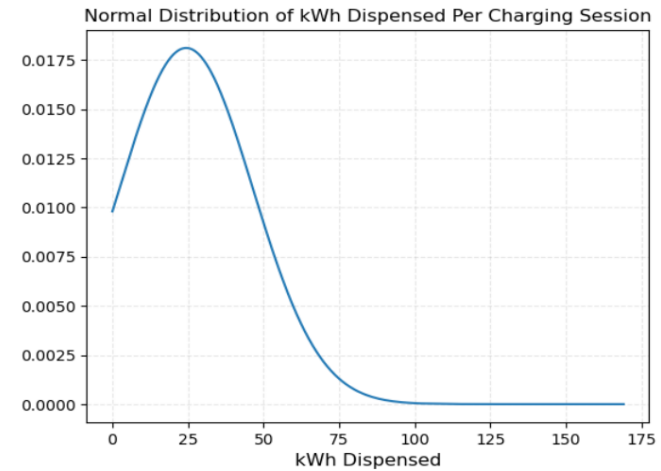


Low load factors of traditional charging stations make cost recovery difficult



Reducing power demand can lower infrastructure costs

- XCharge can charge an EV even when the grid is down. This will be critical during natural disasters, such as hurricanes, as more consumers transition to EV ownership.
- Data from the Robinson ReCharge Mobility Hub shows a typical charging session dispenses roughly 25 kWh. This equates to 8 charging sessions per single charge of a battery buffered DC high-speed charging station.
 - Average charge time is 20 minutes
 - As of the end of January, the most utilized station at Robinson Hub provides an average of 7 charges per day (~175 kWh).



- Bidirectional Charging
 - Traditional charging stations can manage demand but can't export power back to the grid
 - XCharge can deliver power back to the grid providing the following services:
 - ✓ Energy Arbitrage – Storing solar energy to use at night
 - ✓ Voltage and Frequency Support – Better power quality
 - ✓ Balancing Generation – Improving reliability of sources like solar
- Understanding how to dispatch distributed assets and how to monetize these benefits are key to reaching our clean energy goals.
- Lowering power demand reduces infrastructure upgrades, which leads to lower risk of stranded assets.

- OUC's Grid Integration Laboratory will serve as a pilot for the vendor to test:
 - Vehicle to Grid
 - Solar DC-Coupling
 - Grid Forming Services
- OUC's price is discounted due to this partnership.
- Evaluation will support New Products and Services development including Lighting and Electrification.



Photo render provided by XCharge Energy USA Inc



Recommended Action

Commission approval of a Purchase Order to XCharge Energy USA, Inc to provide a NZS XCharge battery-integrated high-speed Level 3 charging station in the amount of \$173,000.

Presentation

Financial Report.

Financial Report

\$ in millions	January 2024			
	Actual	Budget	\$ Δ	% Δ
Retail and Wholesale Electric Revenues	\$ 173.3	\$ 171.4	\$ 1.9	1.1%
Water, Chilled Water and Other Revenues	62.1	61.6	0.5	0.8%
Total Revenues, excluding Fuel Revenues	235.4	233.0	2.4	1.0%
Total Expenses, excluding Fuel and Purchased Power	(199.1)	(200.0)	0.9	-0.5%
Net Income Before Contributions	\$ 36.3	\$ 33.0	\$ 3.3	10.0%

Overview

- Total Revenues, excluding Fuel Revenues were \$2.4 million higher than Budget
 - Electric revenues were favorable to budget driven by a warmer than normal weather impacting residential and commercial consumption
 - Water revenues were also favorable to budget due to higher than projected commercial consumption
- Total Expenses, excluding fuel and purchased power were slightly favorable to budget

General Manager Comments

State & Federal Legislative Update

State & Federal Legislative Update

OUC100
A Century of Reliability

Kevin Noonan & Terry Torrens Legislative Affairs	OUC Commission Meeting	3/5/2024
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State Legislative Session:

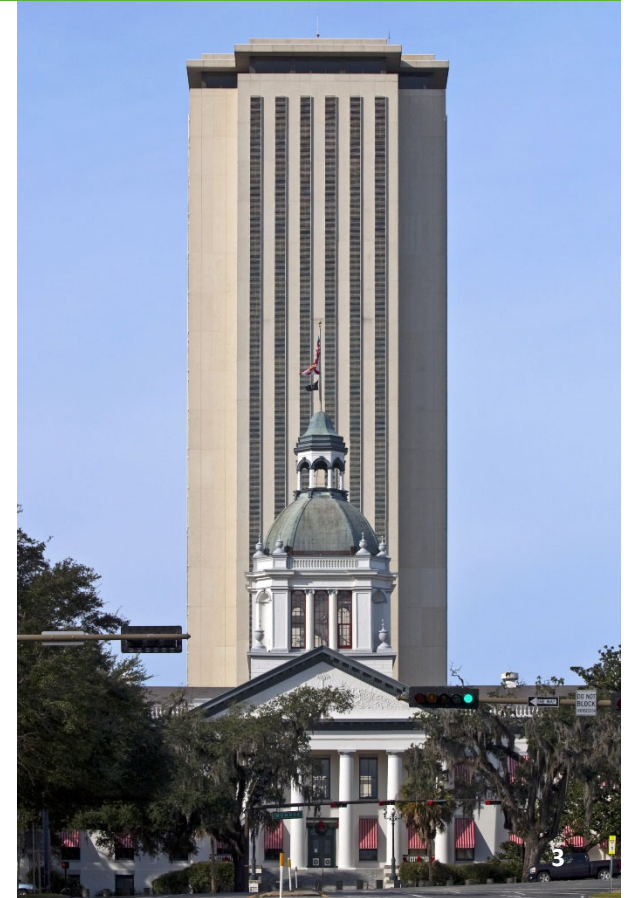
- 60 days – January 9 to March 8
- 3 ½ days remaining – working to finalize state budget
- 1,900 bills were filed
- 69 have passed both the House and Senate
- 7 bills have been signed by the governor, 2 vetoes
 - Vetoes related to social media restrictions for minors

Republican supermajorities in House and Senate:

- There is little need for bipartisanship
- Governor has also returned from the campaign trail

State Budget:

- Approaching \$117B – Governor has 15 days after receipt to make line item vetoes and approve budget



Education Deregulation – Reducing regulation and testing changes.

Health Care - Increasing the number of physicians and expanding access to health care.

Insurance – Home and auto rates and Citizens Property Insurance.

Labor – Loosening work restrictions for children and eliminating local living wage ordinances.

Marijuana – With possible constitutional amendment on recreational marijuana this November, the state is looking to lower potency levels.

Monuments – Prevent local governments from removing or destroying historic monuments from public property.

Social Media – Prevent minors under age 16 from accessing certain social media accounts.

Taxes – Tax breaks including six sales-tax holidays.

Firearms – Lowering the age to purchase and eliminating waiting period.





Five Key Bills of Interest to OUC (detailed on following slides):

- HB 275 / SB 340 – Damage To Critical Infrastructure -Passed
- HB 7047 / SB 7006 – Public Records/Meeting Exemption – Moving towards passage
- HB 1645 / SB 1624 – Energy Resources – Moving towards passage
- HB 1277 and SB 1510 – Municipal Utilities - Did Not Pass
- HB 107 / SB 28 – Electric Vehicle Fees and Impact to State Revenue - Did Not Pass

Other Bills:

- HB 1147 / SB 1218 – Broadband - Passed
- SSB 674 / HB 779 – United States Produced Iron & Steel in Public Works Projects – Moving towards passage
- HB 1071 / SB 1084 – Department of Agriculture & Consumer Services – Moving towards passage
- HB 433 / SB 1492 – Workplace Heat Exposure / Living Wage Preemption – Moving towards passage.
- HB 1533 / SB 1546 – Statewide Drinking Water Standards - Did Not Pass
- HB 777 / SB 1088 – Municipal Water or Sewer Utility Rates, Fees, & Charges - Did Not Pass
- HB 472 / HB 569 – Sovereign Immunity - Did Not Pass

HB 275 / SB 340 – Damage To Critical Infrastructure – Passed.

This bill increases the criminal and civil penalties for those who intentionally trespass on or damage critical infrastructure. Included in the definition of critical infrastructure are all electric and water facilities as well as others including ports, airports, and communications facilities.

HB 7047 / SB 7006 – Public Records/Meeting Exemption –

Moving towards passage. This bill extends the public records and meetings exemptions for items related to the security of a municipal utility's operational and information technologies. It also limits requests for customer meter and billing data to only monthly granularity.



HB 1645 / SB 1624 – Energy Resources – Moving towards passage. *(A comprehensive rewrite of the State’s Energy Policy)*

- Provides an updated statement of legislative intent concerning the state’s energy policy and establishes a list of specific, fundamental policy goals to guide the state’s energy policy.
- Updates energy policy statements in current law and the duties of the Department of Agriculture and Consumer Services (DACS) to be consistent with the energy policy goals established in the bill.
- *Requires the Public Service Commission (PSC) to determine, upon notice by a public utility (IOU - Investor Owned Utilities), whether an off-schedule power plant retirement is prudent and consistent with the energy policy goals established in the bill.*
- *Requires electric cooperatives and municipal electric utilities to have at least one mutual aid agreement with another electric utility for purposes of restoring power after a natural disaster. (Note: OUC has agreements with all munis, coops, and IOUs.)*
- Increases the minimum length of an intrastate natural gas pipeline that requires certification under the Natural Gas Transmission Pipeline Siting Act from 15 miles to 100 miles.
- Provides that certain “resiliency facilities” owned and operated by a public utility that deploy natural gas reserves for temporary use during a system outage or natural disaster are a permitted use in all commercial, industrial, and manufacturing land use categories and districts.
- Provides for the recovery of certain facility relocation costs incurred by a natural gas utility through a charge separate from the utility’s base rates.

State Update - Key Bills of Interest – Energy Resources *(Continued)*

HB 1645 / SB 1624 – Energy Resources – Moving towards passage. *(A comprehensive rewrite of the State's Energy Policy)*

- Prohibits the construction, operation, or expansion of offshore wind energy facilities and wind turbines located on real property within one mile of the state's coastline or on waters of the state.
- *Requires the PSC to conduct an assessment of the security and resiliency of the state's electric grid and natural gas facilities against both physical threats and cyber threats and to submit a report.*
- *Authorizes the PSC to approve IOU utility programs for electric vehicle (EV) charging if certain conditions are met.*
- Requires the Department of Management Services (DMS) to develop the Florida Humane Preferred Energy Products List to identify certain products that appear to be largely made free from forced labor.
- Repeals the Renewable Energy and Energy-Efficient Technologies Grant Program, Florida Green Government Grants, the Energy Economic Zone Pilot Program, and Qualified Energy Conservation Bonds provisions.
- *Prohibits community development districts and homeowners' associations from banning certain types of fuel sources of energy production and appliances that use such fuels.*
- *Requires the PSC to study and evaluate the technical and economic feasibility of using advanced nuclear power technologies and to submit a report of its findings and recommendations.*
- Requires the FL Department of Transportation to study and evaluate the potential development of hydrogen fueling infrastructure, including fueling stations, to support hydrogen-powered vehicles that use the state highway system.

HB 1277 and SB 1150 – Municipal Utilities - Did Not Pass.

For municipal utilities serving customers outside of their municipal boundaries, this legislation would have:

- Capped a municipal utility's transfer to a City's general fund to 10% of revenues derived from customers located outside city limits; no limits for customers located within the city.
- Required that after the transfer of revenues to the City, excess revenues be reinvested back into the utility or returned to those customers outside the city limits.
- Created new public meeting requirements to maintain or expand utility services outside the city limits.
- Created new PSC reporting requirements.
- Limited rates, fees, and charges that a municipal water or sewer utility could charge customers outside of the city boundaries.
- Placed restrictions on charging higher rates to those served outside of the city limits.
- Issue will be back again next year.



HB 107 / SB 28 – Electric Vehicle Fees & Impact to State Revenue - Did Not Pass.

These bills both sought to ensure that EV drivers would pay their fair share of “road taxes” since they are not contributing to those fees through gas taxes collected at the pump. The House wanted to study the issue to ensure accuracy in the amounts charged. The Senate version already had designated fees for EVs, Plug-in Hybrids, and electric motorcycles. With no consensus between the House and Senate versions, the bill did not pass.





FY 24 Budget Status

- March 1 - Continuing Resolution Still in Effect
 - Agriculture, Energy-Water, Military Construction-Veteran’s Affairs, and Transportation-Housing & Urban Development bills
- March 8 - Continuing Resolution Still in Effect
 - Commerce-Justice-Science, Defense, Financial Services-General Government, Homeland Security, Interior-Environment, Labor-Health & Human Services-Education, Legislative Branch, and State-Foreign Operations bills
- Appropriations “top line” number agreed to by Leadership
 - Very similar to the amount that caused then-Speaker McCarthy troubles
 - Negotiations continue over the allocation of amounts within each bill
 - A key sticking point is legislative “riders” that set policy
 - Most riders come from the House in the form of policy statements, e.g., abortion limits, etc.
 - One rider would limit DOE’s ability to issue a distribution transformer efficiency rule

Emergency Supplemental Funding

- Senate passed Ukraine, Israel, Taiwan, and other supporting funds
- No border security/immigration policy provisions included
- House Republicans divided on next steps



House Republican Conference Fractures Further

- Failure of House Republicans to support articles of impeachment for Homeland Security Secretary Alejandro Mayorkas on first try
- Failure of Leadership to secure 2/3rd majority for stand-alone funding to support Israel
- Anticipation that there will be insufficient votes to support articles of impeachment against President Biden
- Inability to move major legislative proposals without substantial Democratic support continues

Committee Oversight and Legislative Activity

- House Energy and Commerce Committee hearings on multiple topics
 - Oversight of the Environmental Protection Agency’s Particulate Matter Rule
 - Challenges to electric reliability and affordability
 - Legislative hearing to promote U.S. pipeline infrastructure
 - Oversight of Administration pause of Liquid Natural Gas (LNG) export terminal approvals
- Senate Energy and Natural Resources Committee
 - Oversight of Administration pause of LNG export terminal approvals
- Senate Budget Committee
 - Oversight of climate risks to repayment of municipal bonds



General Manager Comments

NERC – Long Term Reliability Update

NERC – Long Term Reliability Update



Attila Miszti, Chief Operating Officer

3/5/2024

- Definition and industry-related terms
- Notable events and background
- NERC Long-term Reliability Assessment (LTRA) video and FERC/NERC Commissioner concerns
- Key takeaways
- OUC considerations



FERC

Key Electric Utility Regulators

- **FERC** – **The Federal Energy Regulatory Commission (FERC)** is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects.
- **NERC** – **The North American Electric Reliability Corporation (NERC)** is a not-for-profit international regulatory authority whose mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid. NERC develops and enforces reliability standards; annually assesses seasonal and long-term reliability; monitors the bulk power system through system awareness; and educates, trains, and certifies industry personnel.
- **SERC** – **The Southeastern Reliability Council (SERC)** is a nonprofit regulatory authority whose mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid. SERC has been delegated its authority from NERC and performs its assessment pursuant to NERC's rules of procedures.
- **EPA** – **Environmental Protection Agency** is an independent agency of the United States government tasked with environmental protection matters. The EPA's mission is to protect human health and the environment.
- **FPSC** – **The Florida Public Service Commission's (FPSC)** mission is to make sure that Florida's consumers receive some of their most essential services – electric, natural gas, telephone, water, and wastewater – in a safe, affordable, and reliable manner. In doing so, the FPSC exercises regulatory authority over utilities in three key areas: rate base/economic regulation; competitive market oversight; and monitoring of safety, reliability, and service issues.

Background on Prior Weather-Driven Outage Events

- **2003** – Northeastern blackout, 55 million impacted
 - FERC created NERC
 - NERC created regional reliability organizations, 100+ reliability standards
- **August 2020** – CALISO: California lead to rotating sustained blackouts
- **February 2021** – ERCOT: Texas Winter Storm Uri resulted in rotating sustained blackouts
- **December 2022** – Winter Storm Elliot resulted in rotating sustained blackouts
- **August 2023** – ERCOT: Multiple days of extreme heat, record loads, and conservation requests
 - Many other utilities across the country set new all-time peaks

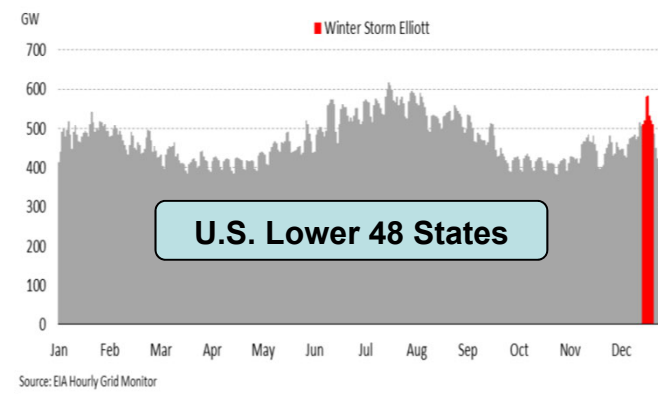
- Abnormally cold conditions throughout much of U.S.
- Record-setting electric demand for many regions, in which utilities struggled to meet demand across much of the country
- More than 1.5 million customers without electricity
- 60 deaths attributed to storm's effects
- NERC investigation published Dec. 2023



*Image Source: Twitter page of New York Gov. Kathy Hochul;
via weatherchannel.com*

Information in this presentation has been obtained from several sources. It is important to note that investigations are still ongoing and information is subject to change.

- December 23rd was the highest single-day electric demand on record for any day during the winter season for the lower 48 states
- ERCOT, PJM, MISO, and SPP all set overall winter single-day electric demand records
- Utilities in the southeast, including Tennessee Valley Authority (TVA), Duke, and Louisville Gas and Electric/Kentucky Utilities (LG&E/KU) were required to implement rolling power outages



[NERC's 2023 Long-Term Reliability Assessment - YouTube](#)

CAGR (Compounded Annual Growth **Rate**)

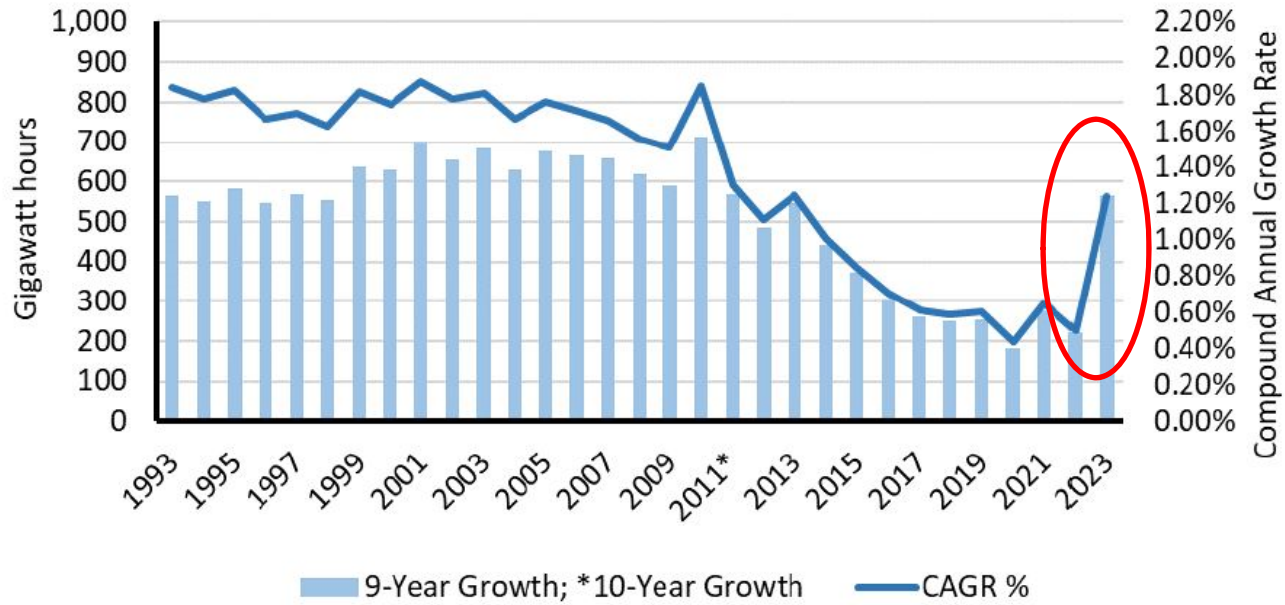


Figure 26: Net Energy for Load Growth and Rate Projection Trends

- North American bulk power systems are on the cusp of large-scale growth, bringing reliability challenges and opportunities to a grid that was already amid unprecedented change
- Rapidly changing resource mix and introduction of new technologies are affecting how the system is planned and operated
- LTRA provides clear evidence of growing resource adequacy concerns over the next 10 years
- Capacity deficits projected in areas of future generator retirements are expected before replacement resources are in service

- Energy supply risks are in projection under energy-constrained conditions
- Sub-freezing temps can create disruptions in natural gas fuel supplies
- Disruptions in fuel supply lead to insufficient electricity supply and further exacerbate the availability of natural gas which is dependent on the delivery of electrical energy
- Periods of low wind/solar must be sufficiently balanced with dispatchable generation
- Delayed generator retirements are alleviating previously identified near-term supply shortfalls

“The first rule of holes is if you’re in one, stop digging. If the fundamental problem we’re facing is we’re shutting down dispatchable resources far too prematurely, then the answer is to stop shutting down dispatchable resources far too prematurely.”

“You can’t just shut down your dispatchable generation overnight or within a matter of a few years and think that you can keep the lights on by simply trying to replace it. My point of the megawatt versus a megawatt is the capacity value of the wind or solar megawatt is simply not equal to the capacity value of a megawatt. You can’t just keep the grid running with a 1-1 replacement – the numbers don’t add up.”

– *Mark Christie, FERC Commissioner*

“We are facing an absolute step change in the risk environment surrounding reliability and energy assurance. In recent years, we’ve witnessed a decline in reliability, and the future projection does not offer a clear path to securing the reliable electricity supply that is essential for the health, safety, and prosperity of our communities.”

– John Moura, Director of Reliability Assessment and Performance Analysis

On February 14, 2024 FERC approved NERC reliability standards for cold weather operations and preparedness.

**Could These Events
Happen in Florida?**

NERC LTRA – Risk Area Summary

- **High Risk** - Shortfalls may occur at normal peak condition
- **Elevated Risk** – Shortfalls may occur in extreme conditions
- **Normal Risk** – Low likelihood of electricity supply shortfall

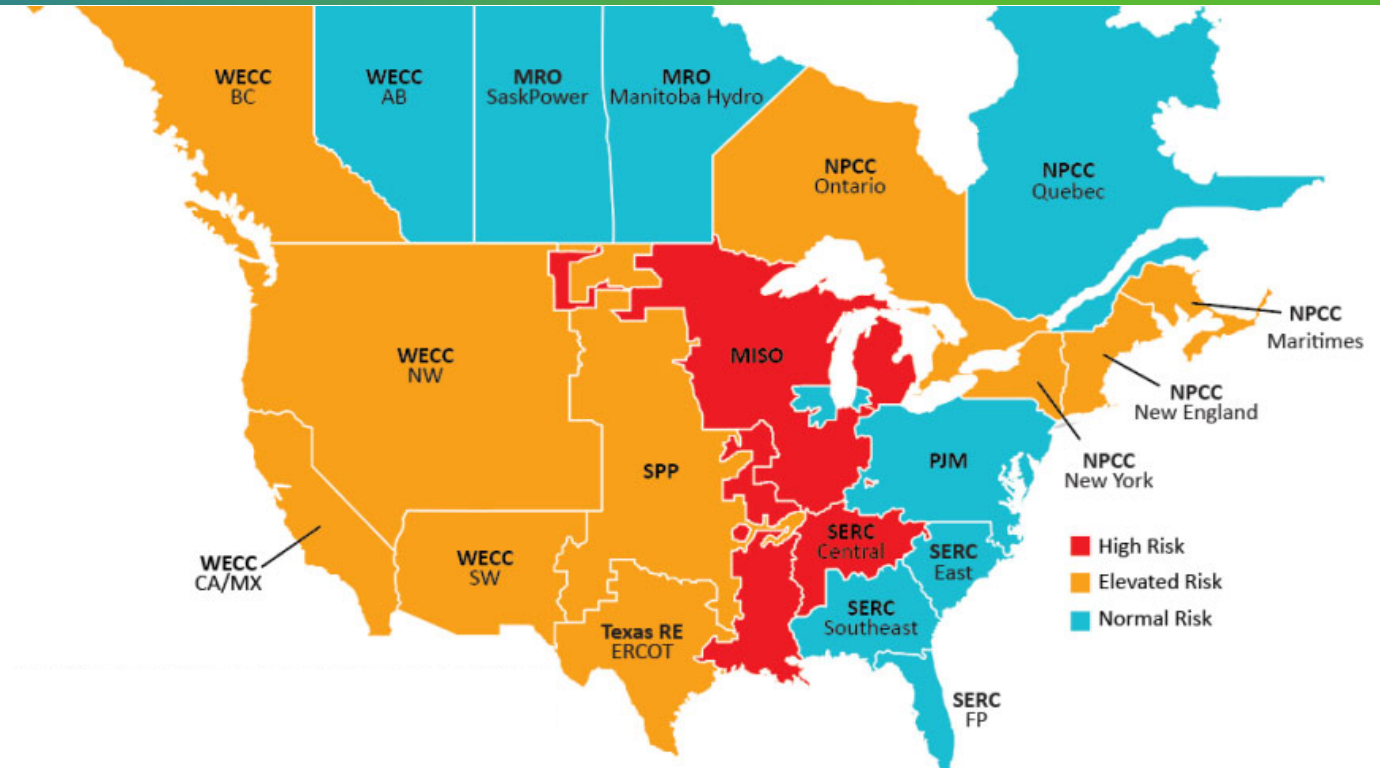


Figure 1: Risk Area Summary 2024–2028⁸

- Rate of change of bulk electric system accelerating
- Continued retirements of fossil assets in Florida and nationally
- Florida's increasing dependence on natural gas (NG) is nearly 80% and growing
- Lack of durable NG delivery at adequate pressure during extreme weather events
- Regulatory uncertainty with proposed GHG rules and others
- Load growth with electrification of transportation system and population migration
- Intermittent resources vs. baseload dispatchable resource mix changing rapidly

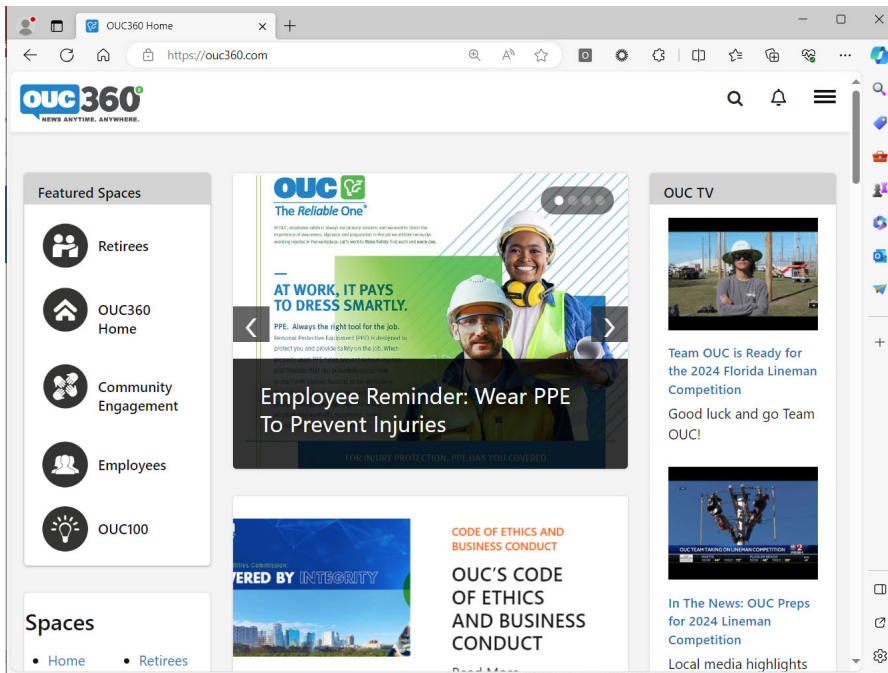


- OUC generation retirement timelines are aligned with the addition of new capacity
- OUC reserve margins are forecasted to be well above industry minimums
- OUC is investing in:
 - Generation capacity to meet electrification, growth, and carbon reduction goals
 - Winterizing generation assets
 - Transmission upgrades
 - Pilot projects and studies to ensure we remain on the low end of risk/reliability spectrum
 - Shifting OUC's planning approach to sub-hourly modeling
- Cooperation with industry partners, utilities, federal/state regulators, and policy makers is critical to ensure reliability, affordability, resiliency, and sustainability



General Manager Comments

Make Safety First Quarterly Campaign
&
Safety Metrics Recognition Breakfast



PPE: Personal Protective Equipment

It's Easy to See the Advantages of Protective Eyewear.

WEAR PROTECTIVE EYEWEAR
Injury protection for eyes and face.

—
**MAKE
SAFETY
FIRST**

PPE: Personal Protective Equipment

10 Fingers. 10 Toes.
20 Reasons to Wear Proper PPE.

1 in 4
INJURIES DUE TO INSUFFICIENT OR NO PPE.

85%
OF REPORTED INJURIES WERE HAND INJURIES.

*Data based upon OUC FY2023 Employee Safety Incidents.

—
**MAKE
SAFETY
FIRST**



Safety Recognition Breakfasts

—
MAKE
SAFETY
FIRST



Pershing



Stanton





Safety Recognition Breakfasts

—
MAKE
SAFETY
FIRST



Gardenia



Reliable

