

**MINUTES
ORLANDO UTILITIES COMMISSION
April 13, 2021
2:00 P.M.**

Present:

COMMISSIONERS:

Britta Gross, President
Larry Mills, First Vice President
Gregory D. Lee, Second Vice President
Cesar E. Calvet, Immediate Past President
Buddy Dyer, Mayor (left meeting early)

Clint Bullock, General Manager & Chief Executive Officer
Jan Aspuru, Chief Operating Officer
Mindy Brenay, Chief Financial Officer
W. Christopher Browder, Chief Legal Officer
Linda Ferrone, Chief Customer & Marketing Officer
Manju Palakkat, Chief Transformation & Technology Officer
Latisha Thompson, Chief Employee Experience Officer
LeMoyne Adams, Luz Aviles, Wade Gillingham, Jenise Osani, & Ken Zambito,
Vice Presidents
Nanci Schwartz, Recording Secretary

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The April 13, 2021 Commission Meeting was held in person and virtually via WebEx.

President Gross asked Jill Rainford to provide the moment of reflection.

President Gross asked Dale Ramirez to lead the Pledge of Allegiance to the Flag.

The Commission Meeting was called to order at 2:04 P.M.

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On a motion by Commissioner Mills, seconded by Mayor Dyer and unanimously carried, the reading of the minutes of the March 9, 2021 Commission Meeting was waived and the minutes were approved.

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Latisha Thompson announced that, for the 18th consecutive year, OUC was recently honored with FMEA's 2020 Safety Award for its commitment to employee safety. OUC placed first in Category E and was among 21 Florida municipal utilities to receive the 2020 Safety Award. During this incredibly challenging year, OUC took extraordinary precautions to protect employees' health and wellbeing amid the COVID-19 pandemic. Ms. Thompson thanked the safety team under the leadership of LaShun Nale-Stadom, the crews, and every employee for the important role they play in Making Safety First.

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Latisha Thompson stated that now more than ever, employees are keenly aware of how important it is to take care of themselves and make physical and mental wellness a priority. Corporations like OUC use wellness programs to help employees achieve a healthier lifestyle and enhance their overall wellbeing. OUC's wellness program includes a wealth of educational resources, incentives and activities to help employees on their health journey. Ms. Thompson announced that OUC's "Wellbeing: The Power to Thrive" Program earned the Best Wellness Employer Gold Certification from Wellness Workdays for the fourth consecutive year. OUC is one of only 16 organizations nationwide to receive Gold Status, the highest designation for the certification, and scored nearly perfect in two of the four categories. The certification comes in partnership with Harvard Medical School and recognizes the best-in-class programs. Ms. Thompson stated that during the pandemic, OUC's Wellness Team safely maintained programs for on-site employees and also implemented virtual offerings for those working remotely. She thanked Wendy Reynolds, Jill Rainford, and Alison Roy for their extraordinary efforts, as well as all the Wellbeing Champions who work across the Commission.

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LeMoyne Adams announced that April 18 is National Lineman Appreciation Day, an occasion that OUC feels is worth recognizing 365 days a year. Given the recent severe weather events that swept the country, and the extremely active 2020 hurricane season, there's good reason for appreciating the dedication of the nation's lineworkers. OUC's lineworkers are the face of the utility and one of the company's most visible and recognizable ambassadors. Without them, OUC wouldn't be able to live up to being "the *Reliable One*." Mr. Adams recounted appreciation extended to lineworkers through social media as well as while traveling to areas affected by hurricanes this past summer. Mr. Adams noted several events OUC will take part in to show appreciation to lineworkers. He thanked lineworkers across OUC and the nation.

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President Gross read aloud a Proclamation declaring April to be Water Conservation Month.

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Clint Bullock stated that in 2019, OUC moved from a traditional annual report to a Community Responsibility Report to provide highlights on how the company is continually seeking ways to better the community and improve how it does business. This report explains how core values drive business practices and operational performance, as well as how OUC is developing partnerships, renewable energy technology, and innovative solutions to propel the organization forward to meet communities' needs and the challenges of a rapidly changing industry.

The report includes not only OUC's accomplishments, but highlights how OUC is demonstrating a clear, continuous commitment to solar energy, electrification, and energy efficiency while balancing affordability and reliability. As an essential service provider, it shares OUC's focus on helping move the community forward following the challenges of COVID-19 and how the company is helping the community cope with economic uncertainty thanks to the \$12.1 million COVID-19 customer relief package. It also includes OUC's historic pledge to achieve net zero carbon dioxide emissions by 2050, with interim targets of 50 percent CO₂ emission reduction by 2030, and 75 percent CO₂ emissions reduction by 2040 as well as the commitment to convert coal plants to natural gas.

The 2020 Community Responsibility Report underscores the significance of this unprecedented year. OUC will be sharing the report through social and digital communications over the coming weeks, including targeted emails to customers, community partners, and employees. Mr. Bullock provided Commissioners with hard copies of the 2020 Community Responsibility Report and announced it is now available on-line at ouc.com/connected. Mr. Bullock thanked Linda Ferrone and Jenise Osani and their teams for their work on the report.

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Linda Ferrone stated that the previous week, Mayor Dyer, President Gross, Mr. Bullock, and several City of Orlando Commissioners had the honor of unveiling 100 new public Electric Vehicle (EV) charging stations and the opportunity to "plug-in" at the John H. Jackson Neighborhood Center. Through a partnership with OUC, the City of Orlando, and the Bloomberg American Cities Climate Challenge, an additional 100 new EV charging stations spanning 33 locations throughout Orlando have been installed. The chargers can be found at areas such as parks, neighborhood and senior centers, parking garages, and public venues. Each of these locations also have at least one ADA accessible EV charging station to ensure services are accessible to all drivers. This project is another example of continued efforts to transform Orlando into one of the most environmentally-friendly and economically vibrant cities in America. It also brings the number of chargers to 300 installed throughout OUC's service territory, maintaining Orlando's position as one of the top 10 most EV-ready cities in the nation.

Ms. Ferrone stated that transportation is the leading cause of CO₂ emissions in Florida. Through mutual electrification efforts, OUC is supporting clean, zero-emission transportation solutions for city operations, residents, commercial operations, and visitors. She detailed OUC's \$45 million innovative electrification programs, including the EV dealer partnership and incentives for OUC customers to test drive an EV. She encouraged attendees to check out OUC's new EV landing page at ouc.com/EV, which encourages customers to purchase EV vehicles, explains different types of charging, and discusses different types of EVs. Mr. Bullock added that the landing page also highlights different brands and models of EVs.

Ms. Ferrone thanked Eva Reyes who oversaw the project with the City as part of her role as Manager in the Electric Distribution Engineering Department.

President Gross asked if OUC was maintaining a database with all the different vehicle models and ranges, or was tapping into other existing databases, to utilize on the EV landing page. Ms. Ferrone said OUC is utilizing other databases.

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Mr. Bullock noted the importance of tree trimming to OUC's overall reliability and asked LeMoyne Adams to provide a presentation on Affirmative Item A-8 regarding the Vegetation Management Services contract. Mr. Adams stated that both state and federal agencies regulate guidelines for utility vegetation management. OUC's vegetation management program rotates through a three year trim cycle, adheres to best practices in utility arboriculture, utilizes an integrated vegetation management strategy, and follows the American National Standards Institute. Mr. Adams announced that OUC has been named a Tree Line USA utility for the 22nd straight year by the Arbor Day Foundation. The award is given to utilities who meet five core standards, and these efforts are led by Erin Givens, Vegetation Management Specialist. Last year, OUC began partnering with the Orlando Magic for the OUC Community Assist Tree Giveaway. OUC also partners with the City of Orlando for their One Person, One Tree Program.

Mr. Adams noted the benefits of OUC's Vegetation Management Program include minimizing tree-related outages, improving system reliability, maximizing public safety, increasing visibility for equipment inspections, and decreasing restoration times by increasing accessibility to overhead equipment. OUC continues to strengthen the program by revising contract specifications and requirements to incorporate current standards for distribution and transmission, and enhancing routine vegetation management. Other improvements in the new contract include requiring the tree contractor's general foreman to be a certified arborist, adjusting crew composition requirements, and increasing quality control. The new contract will utilize two suppliers which will increase resources during large storm events and save approximately \$920,000 over the three-year term.

Mr. Adams thanked Erin Givens, Rick Taylor, and Troy Morris for their work on the new contract.

Commissioner Mills inquired if both vendors have the necessary certification in the general foreman category and Mr. Adams responded affirmatively. He also noted the two suppliers are the largest tree contractors in the country.

President Gross commended the new contract requirements.

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Mr. Bullock asked Mindy Brenay to provide a presentation on Affirmative Item A-15 regarding the St. Cloud Operations and Maintenance Facility Project. Ms. Brenay stated that the Project is being designed to support OUC electric operations as well as fleet, logistics, facilities, and provides for further expansion opportunities for the City of St. Cloud. The site will also serve as a designated emergency response facility with the flexibility to support hurricane restoration and response activities, including supporting staging and crew dispatching for increased hurricane responsiveness. When complete, the site will include EV charging, solar resources, water conservation features, and future energy storage connectivity. The design incorporates best practices for net zero facilities and promotes the health and wellbeing of employees through walking paths, common areas, and natural lighting.

The funds being requested will enable the commencement of the necessary site cleanup, site development, and installation of underground utilities as a result of the design phase being 100 percent complete. The requested change order will provide Ajax Construction with resources to commence foundational construction site work while securing hard bids for critical sub-contracted construction activities that are integral to the GMP for this project. It is anticipated that the full construction cost will be brought to the Commission for approval at a future date.

Mr. Bullock noted that the purpose of this agenda item is to allow staff to receive firm bids on some of the major construction elements in order to firm up the budget before bringing the full cost for approval.

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Mr. Bullock asked Luz Aviles to provide a presentation on Affirmative Item A-20 regarding the Commercial Indoor Lighting Program – Lighting Retrofit Services. Ms. Aviles stated that since 2002, OUC convenient Indoor Lighting has allowed customers to upgrade to efficient lighting with no upfront capital investment. Since that time, 148 projects have been completed, resulting in an annual energy cost savings of \$4,500,000 and saving 45,000,000 kWh.

Commissioner Mills asked if the energy cost savings were for OUC or the customer. Ms. Aviles stated it was energy efficiency savings to the customer.

Ms. Aviles stated that this program clearly aligns to OUC's 2025 Strategic Plan. It delivers on customer partnerships that increase revenues but also meets the efficiency needs of customers and contributes to conservation goals. Customer participation includes Orange County Public Schools, Dr. Phillips Center, Regions Bank, and Mercedes-Benz. Master Services Agreements are executed with customers that have multiple properties, such as Orlando Health and the Diocese of Orlando. Benefits to the customer include long-term energy cost savings, turnkey installation, no upfront cost, monthly payments equivalent to energy cost savings, and detailed lighting audit and expert advice. Benefits to OUC include providing an excellent customer service offering, assisting with energy conservation goals, and a return on equity. Ms. Aviles explained how commercial LED lighting has improved. Its costs have reduced, life expectancy has expanded, and color options and rendering continue to advance. LED retrofits with controls can reduce lighting energy consumption as much as 81 percent.

Ms. Aviles described the new program goals and objectives with the new contracts. Utilizing multiple suppliers will increase yearly throughput and provide price competition and transparency. She discussed the three suppliers: Architectural Graphics, Inc., Lightyear Technologies, and WESCO Energy Solutions.

Commissioner Mills asked if the Purchase Order amounts are being spread equally between the three suppliers. Ms. Aviles explained that each supplier will be provided the ability to bid on the projects and the supplier selection will be the customer's choice.

President Gross asked if the \$15 million is recoverable through revenue collected in this program and Ms. Aviles responded affirmatively. President Gross commended utilizing multiple suppliers.

Commissioner Calvet noted he is familiar with the program through the Diocese of Orlando and commended the program.

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Mr. Bullock asked Luz Aviles to provide a presentation on Affirmative Item A-21 regarding the Proactive Alerts and Outage Map Services Project. Ms. Aviles stated that OUC implemented the proactive alerts and outage map in 2017, and proactive billing and payment alerts were implemented in 2019. Customer adoption continues to grow with approximately 30 percent of customer enrollment and nearly 2,000 registrations per month. OUC sends approximately 45,000 messages on a weekly basis. Ms. Aviles showed an example of an outage map that provides a real time view of current and planned outages. Key functionality allows customers to choose how to receive messages, and there are a variety of messaging capabilities. The outage map supports two-way messaging for electric

and water outage reporting and provides an estimated time of restoration, as well as additional details when applicable.

With the new contract, OUC strove to enhance the benefits of proactive alerts and outage maps with new alerts, and will soon be able to send messages in Spanish, modify messages in real time, and receive improved reporting and analytics. During the transition to the new supplier, customers will not need to re-enroll and the system will be fully integrated with current channels. The current contract will be extended through the end of the year to allow a seamless transition during hurricane season.

Mayor Dyer commented that this a great service to offer customers, especially after storm events. President Gross stressed the importance of this service and that all customers should enroll.

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President Gross presented the Affirmative Items for approval. Commissioner Lee declared a conflict of interest with Affirmative Item A-4. Commissioner Calvet declared a conflict of interest with Affirmative Item A-20. On a motion by Commissioner Lee and seconded by Commissioner Mills, the Affirmative Items with the exception of A-4 and A-20 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in January 2021 in the aggregate amount \$9,048,253.41 as follows:

NATURAL GAS PURCHASES:

January 2021	Clarke-Mobil Counties	\$ 345,650.00
January 2021	EDF Trading	\$ 403,288.00
January 2021	Mansfield Power & Gas LLC	\$ 156,754.25
January 2021	Municipal Gas Authority of Georgia	\$ 726,888.00

COAL PURCHASES:

January 2021	Crimson Coal Corporation	\$4,963,774.16
January 2021	Foresight Coal Sales, LLC	\$2,451,899.00

2. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Unit 1 Primary Air Recirculation Upgrade Project in the amount of \$653,000. Approval of RFP #4967 – Contract award to TAW Orlando Service Center, Inc., the lowest, most responsive, and responsible supplier, to provide Stanton Energy Center with two primary air fan electric motors in the amount of \$325,000;
3. Approval of Change Request No. 1 to the Capital Expenditure Estimate for the Stanton Energy Center Wastewater Treatment Alternatives Project – Phase 1 of 2 in the amount of \$549,944, increasing the total project cost to \$695,944. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Worley Parsons Group, Inc. in

the amount of \$124,664 to continue providing engineering support services required for the Stanton Energy Center Wastewater Treatment Alternatives Project, increasing the total Purchase Order amount to \$202,366;

4. Pulled for separate vote;
5. Approval of a Capital Expenditure Estimate for the Indian River Plant Combustion Turbine C Hot Gas Path Inspection and Combustion Turbine D Combustion Inspection Project in the amount of \$6,862,000. Approval of a sole source Purchase Order to Siemens Energy, Inc. to perform the Combustion Turbine C Hot Gas Path Inspection and Combustion Turbine D Combustion Inspection in the amount of \$6,862,000;
6. Approval of the Electric Distribution Construction Estimate for the installation of the underground electric distribution system to serve the Preston Cove Subdivision – Phase 1 in the amount of \$517,076.76, with a customer contribution in the amount of \$28,893;
7. Approval of the Electric Distribution Construction Estimate for the TripSaver Smart Grid Project on Substation No. 28 located in the northeast region of the St. Cloud service territory in the amount of \$603,123.44;
8. Approval of RFP #4951 – Contract awards to Asplundh Tree Expert, LLC and The Davey Tree Expert Company, the lowest, most responsive, and responsible suppliers in five different categories, to provide vegetation management services in the aggregate amount of \$20,797,313;
9. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Siemens Industry, Inc. in the amount of \$392,400 to continue providing Spectrum Power TG software licenses and support services required for the Energy Management System, increasing the total Purchase Order amount to \$581,100;
10. Approval of RFP #4968 – Contract award to NaturChem, Inc., the lowest, most responsive, and responsible supplier, to perform substation weeding services in the amount of \$150,000;
11. Approval of a Purchase Order to Ahead, Inc. for hardware and implementation services, including maintenance necessary for the Data Domain Capacity Upgrade Project in the amount of \$233,600.66;
12. Approval of a sole source Purchase Order to Salesforce.com, Inc. for software licenses and support in the amount of \$192,440.01;

13. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Gartner Inc. in the amount of \$122,760 to continue providing IT research and advisory services, increasing the total Purchase Order amount to \$710,379;
14. Approval of a Capital Expenditure Estimate for the Technology Stabilization Program – Phase 1 of 2 in the amount of \$2,398,228. Approval of a sole source Purchase Order to Oracle America, Inc. for software licenses and professional services and one year of maintenance and support in the amount of \$959,030;
15. Approval of Change Request No. 4 to the Capital Expenditure Estimate for Phase 3 of the St. Cloud Operations & Maintenance Facility Project in the amount of \$2,500,000, increasing the total project cost to \$11,122,708. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Ajax Building Corporation in the amount of \$2,500,000 to continue providing CMAR construction services for completion of the bid process for major construction resources and commencement of initial construction activities required for Phase 3 of the St. Cloud Operations and Maintenance Facility Project, increasing the total Purchase Order amount to \$3,300,000;
16. Approval of a Capital Expenditure Estimate for the Gardenia Facility Site Repaving Project in the amount of \$800,000. Approval of RFP #4913 – Contract award to Asphalt365 Inc., the lowest, most responsive, and responsible supplier, to repave and restripe the entire Gardenia Facility asphalt paving surfaces in the amount of \$750,000;
17. Approval of RFP #4960 – Contract award to IM Solutions Inc., the most responsive and responsible supplier, for the audio/visual wall system upgrade at the Pershing Incident Command Center in the amount of \$263,247;
18. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Cintas Fire Protection in the amount of \$112,200 to continue providing fire extinguisher inspections, certifications, and replacements, increasing the total Purchase Order amount to \$328,400;
19. Approval of additional funding and conforming Change Order No. 1 to Lynch Oil Co., Inc. in the amount of \$75,000 for emergency generator fuel and delivery services, increasing the total Purchase Order amount to \$150,000;
20. Pulled for separate vote;

21. Approval of a Capital Expenditure Estimate for the Proactive Alerts and Outage Map Services Project in the amount of \$847,078. Approval RFP #4954 – Contract award to Smart Energy System, Inc. d/b/a Smart Energy Water, the lowest, most responsive, and responsible supplier, to provide proactive alerts, outage map services, and three years of maintenance support in the amount of \$350,943.50. approval of an OUC initiated scope change and conforming Change Order No. 2 to KUBRA Arizona, Inc. in the amount of \$214,178 to continue providing outage and billing proactive alerts and outage map services, increasing the total Purchase Order amount to \$2,603,822.23; and
22. Authorization for the General Manager & CEO to execute the Release of Easement for MJW Enterprise, LLC, for property located east of Amber Pointe Boulevard and north of East Irlo Bronson Memorial Highway.

On a motion by Mayor Dyer and seconded by Commissioner Mills, Affirmative Item A-4 was approved as follows:

4. Approval of a Capital Expenditure Estimate for the Downtown Chilled Water District Pipeline Extension Project in the amount of \$546,435. Approval of a Purchase Order to Kenyon & Partners, Inc. to design and construct the Downtown Chilled Water District Piping Extension to serve the Orlando Magic Training Facility in the amount of \$348,435.

Commissioner Lee previously announced a conflict of interest and abstained from the vote.

On a motion by Commissioner Lee and seconded by Mayor Dyer, Affirmative Item A-20 was approved as follows:

20. Approval of a Capital Expenditure Estimate for the Commercial Indoor Lighting Program in the amount of \$15,000,000. Approval of RFP #4915 – Contract awards to Architectural Graphics, Inc., Lightyear Technologies, and Wesco Energy Solutions, the most responsive and responsible suppliers, to provide lighting retrofit services for the Commercial Indoor Lighting Program in the aggregate amount of \$15,000,000.

Commissioner Calvet previously announced a conflict of interest and abstained from the vote.

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Mr. Bullock asked Mindy Brenay and Jenise Osani to provide a presentation on NB-1 regarding the Community Solar Farm Rider Rate Schedule. Ms. Brenay stated that the first community solar farm pricing was established with the

opening of the Gardenia Facility Community Solar Farm in 2013. In 2018, with the opening of the Ken Ksionek Community Solar Farm, the pricing model changed to a universal pricing design which provided a structure that would allow all community solar subscribers to take advantage of the latest and best pricing. The universal community solar farm pricing adopted in 2018 was set at 6 cents per kWh in lieu of the standard fuel price. In 2020, two new community solar farms were brought on-line enabling, effective July 1, the universal price of community solar farm to decrease for all community solar subscribers to 4.5 cents per kWh. With this new pricing, customers with 100 percent subscriptions using 12,000 kWh annually will save \$180 per year.

On motion by Commissioner Calvet and seconded by Commissioner Mills, New Business Item 1 was adopted and accepted as follows:

NB-1 Adoption of the Community Solar Farm Rider Rate Schedule of four and a half cents per kWh effective July 1, 2021, pending Florida Public Service Commission review.

Ms. Osani provided background information for current OUC community solar subscriptions. There is currently 118 MW available for subscription based on the recent addition of two solar farms, and 6.2 MW are currently subscribed. Ms. Osani discussed the three key strategies to increase enrollment: partner with the City to enroll more commercial customers, build upon residential engagement, and target new markets. OUC will invite a select group of local businesses and organizations to be founding partners and take the 2030 Solar Pledge for 100 percent clean electricity for business facilities by 2030. Key industries to target include health, academic, hospitality, government, sports/entertainment, retail, legal, and green businesses. For residential enrollment, OUC originally targeted multi-family and homes with shaded cover. OUC also created a loyalty program called the Bright Bunch and participated in grassroots marketing. Ms. Osani presented a video about Bright Bunch member Shauna Junco. To increase residential enrollment, OUC will target new markets such as homeowners associations, EV owners, and rebate and conservation program participants. OUC will also reach out to discontinued subscribers and increase marketing campaigns.

Commissioner Mills suggested that OUC look into working with developers and construction companies to employ community solar in affordable housing complexes.

President Gross inquired how commercial customers can better demonstrate that they participate in the community solar program. Ms. Osani stated that window clings on businesses and vehicles can spread the word, as well as badges to brand businesses as powered by community solar. Staff will be brainstorming additional ideas.

Commissioner Calvet commented on the importance of community solar to help the community. He stated he attended a Bright Bunch reception and noted how excited the members were to participate in the program.

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Commissioner Calvet reported that the Audit Committee (Committee) conducted its regular meeting on March 22, 2021.

The Committee reviewed the financial results for the five-month period ending February 28, 2021. Net income before contributions for Fiscal Year 2021 is projected to be in line with the approved Operating Budget at September 30, 2021.

The Committee reviewed the closeout of the COVID-19 Customer Relief Program and approved the use of \$10,700 of retail electric operating revenues for the final payments associated with the small business portion of the program.

The Committee also reviewed the use of disaster recovery resources provided by Ernst & Young (EY). The Committee recommends the Board approval for EY to continue providing professional services related to disaster management and assistance with financial recovery.

A brief overview of a pending land sale was provided to the Committee. The Committee was also informed of a two week extension of the approved pricing changes for water connection charges to a new date of April 15, 2021.

The Committee was provided with an update on the issuance of the Series 2021A and 2021B Bonds resulting in proceeds of \$326.8 million at a total all-in cost of 2.06 percent.

The Audit Committee reviewed Internal Audit activities, including an overview of the overall completed and in process Fiscal Year 2021 projects.

On a motion by Commissioner Lee and seconded by Commissioner Calvet, PRES-1a was approved as follows:

PRES-1a Ratification of an OUC initiated scope change and conforming Change Order No. 2 to Ernst & Young, LLP in the amount of \$34,200 for disaster management and assistance with financial recovery resources through March 31, 2021, increasing the total Purchase Order amount to \$125,000. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Ernst & Young, LLP in the amount of \$90,000 to continue providing professional services related to disaster management and assistance with financial recovery through the Florida Department of Emergency Management, increasing the total Purchase Order amount to \$215,000.

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Ms. Brenay stated that OUC continues to be ahead of budgeted income before contributions. There have not been significant changes in the favorable trend of electric residential sales offsetting the impact of lower than anticipated electric commercial, water, and chilled water sales. Strong wholesale sales in March have provided for additional revenue and a favorable variance to budget in comparison to the prior month. The impact from the decommissioning of McIntosh 3 continues to be a work in progress with deferred revenues anticipated to offset the impact of the current year costs to allow for a net zero impact to the financial statements.

Ms. Brenay reported that aged receivables have decreased from last June due to COVID-19. She thanked the teams under Linda Ferrone and Luz Aviles for working with customers on payment arrangements and bringing down aged receivable amounts. Additional detailed tracking will be shared with the Audit Committee.

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Chris Browder provided an update on the Central Florida Water Initiative. He stated that the CFWI Rule was proposed for adoption on November 19, 2021. The key elements of the rule were limiting public water suppliers' Upper Floridan Aquifer (UFA) groundwater allocations to their demonstrated 2025 demand; and setting a conservation goal for public water suppliers that restricts gross per capita consumption to 115 gallons per capita day (gpcd) from all water sources, phased in gradually by the mid 2040s.

On March 1, 2021, ten public water supply petitioners, including OUC, filed petitions challenging the rule. The matter was referred to the Division of Administrative Hearings (DOAH) for a hearing. There were five intervenors. The case was scheduled for hearing starting March 29 and ending on April 30. Since that time, the petitioners/intervenors have engaged in settlement discussions with Florida Department of Environmental Protection (FDEP) and the Districts. A settlement agreement was reached on March 19 in the form of a modified version of the rule. FDEP published a Notice of Change on March 26. The petitioners withdrew their petitions. There was a 20-day period ending April 15 to challenge the Notice. The amended rule was submitted by the FDEP for ratification by the Legislature in order to become law.

As of this time, the ratification bill has not been taken up in either the House or Senate and given the fact that this session is coming to an end in the next few weeks, it is unlikely that the rule will be ratified. As a result, the rule could be withdrawn by the agency and if so, will not become law. Should this happen, FDEP could submit the settlement rule again in the next legislative session or start the process over.

President Gross asked for clarification regarding the per capita ruling not distinguishing between large commercial loads and individuals. Mr. Browder confirmed this was a major issue, as more than 40 percent of OUC's load is industrial and commercial. The per capita rule works well with residential users, but it is difficult to apply the same rule to industrial and commercial customers. One of the settlement items was that any supplier who has more than 30 percent of commercial and industrial customers would require a separate requirement for a different type of conservation standards that must be filed. This will not remove the conservation requirement, but will recognize the standardized per capita approach does not work for utilities with a higher percentage of industrial and commercial customers. OUC will continue to demonstrate conservation and explore other options.

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James Adamski urged OUC and the City of Orlando to commit to the regional water supply plan.

Mr. Bullock stated that OUC received a letter from Mr. Adamski on behalf of the Friends of the Wekiva River, and shared it with the Commissioners. OUC staff already reached out to Mr. Adamski in response to the letter. OUC and the City will meet with Friends of the Wekiva River on May 1 to further understand the letter and explain some programs currently underway by OUC and the City.

Commissioner Lee thanked staff for the independent alerts on these items.

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Mr. Bullock asked Jan Aspuru to provide a presentation on Winter Storm Uri and the impacts on the power grid. Mr. Bullock provided opening remarks and stressed that utilities are working to understand the factors and address the potential of similar events in Florida. He noted the importance of analyzing how variable renewable resources relate to peak demand and dealing with extreme weather patterns.

Mr. Aspuru provided background information about the storm, which hit over the week of February 14. He explained that a "perfect storm" of drivers occurred, including record freezing temperatures, natural gas shortages, interruption of generation resources, price spikes in both the electricity and natural gas markets, rotating and sustained blackouts, growth in renewable generation, and retirement of traditional generation. He noted that the information in the presentation has been obtained from several sources, but investigations are still ongoing and information is subject to change. This presentation is focused on the region served by the Electric Reliability Council of Texas (ERCOT), as it was the most affected by the storm. Mr. Aspuru provided background information on ERCOT, including a market overview and seasonal assessment. Important to note is that

ERCOT is a deregulated market and is an energy market, not a capacity market. Mr. Aspuru provided additional background information about the addition of variable renewable energy, mostly wind, planned generation additions from 2021-2023, and thermal generation retirements through 2020.

Mr. Aspuru explained that weather forecasters did not predict the extreme cold until closer to the event. Over 9,000 daily cold records were tied or set nationwide, as well as some all-time records. Mr. Aspuru provided a system frequency timeline, showing 10,500 MW load-shed in less than one hour, a timeline of demand and capacity from February 13-19, and a chart of generation resource interruptions. Mr. Aspuru explained that generation plants were not prepared for the extreme cold due to a lack of winterized investments and procedures. The fuel supply was affected due to frozen natural gas wells, pipeline compressors losing power, and refineries halting production. He discussed the price spikes for natural gas, which were not solely concentrated in the midcontinent, as well as price spikes on electricity. Mr. Aspuru summarized the financial impact of this event and the ongoing investigations.

Mr. Aspuru explained that events like this could happen in Florida. A lack of winterization, lack of fuel diversity, future high solar penetration, storage, and limited electric import capabilities are key issues. While Florida is at a lower latitude than Texas, temperatures in the 20s could lead to forced outages of generating units. Also, low temperatures in Florida would mean the rest of the country would be in a deep freeze. Mr. Aspuru described OUC's winter event planning, including creating a new incident command structure for extreme cold weather events. OUC's strategy requires the company to continue integrating renewables into operations, and resiliency and reliability need to be closely monitored. Future EIRP's will look closely at extreme weather events. As OUC moves toward net zero CO₂ emissions, it must invest in new technologies.

Commissioner Lee thanked Mr. Aspuru for the presentation.

President Gross commented on the importance of the presentation and OUC's commitment to ensuring such events do not happen in its service territory.

Mayor Dyer left the meeting at approximately 4:25 P.M.

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Commissioner Mills praised the Safety and Wellness awards. He thanked Mr. Adams for his presentation and praised OUC for its commitment to supporting lineworkers. He commended the EV charging stations and would like to see a quarterly status on how OUC is improving in that area. He also commended the community solar rate change and believes it will generate a lot of interest in those programs. He thanked staff for taking his suggestion on affordable housing

and trying to expand that base. He thanked Mr. Browder for his update on the lawsuit.

Commissioner Lee echoed Commissioner Mills' comments and thanked everyone for the hard work that went into the meeting.

Commissioner Calvet echoed the previous comments. He stressed the importance of safety. He commended the Commercial Indoor Lighting Project and the community solar programs and rate changes.

President Gross stated that it is a privilege to be a part of a utility that takes seriously all aspects, such as community relations, tree trimming, safety, the EIRP, water conservation, financials, and weather events in other parts of the country. She commended the due diligence across the board of OUC.

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President Gross adjourned the meeting at 4:33 P.M.

President

Secretary