



MISSION

POSSIBLE



2024 ANNUAL REPORT



FULFILLING OUR

MISSION FOR MORE THAN

4 MILLION FLORIDA

RESIDENTS AND BUSINESSES

Florida Municipal Power Agency (FMPA) is a wholesale power agency owned by municipal electric utilities in Florida. We have 33 Members and supply power, at least partially, to 25 of those communities. We are focused on the basics of power generation because Florida residents need electricity to be affordable and reliable. This is part of our mission, and our Members and their customers are counting on us to deliver.

MISSION

POSSIBLE

Our mission is simple: to provide low-cost, reliable power.

However, that can be easier said than done. From volatile markets to natural disasters to changes in demand, everyday obstacles can impede our progress.

But 2024 was different – we proved our mission is achievable. We saw average municipal energy prices drop across the state without sacrificing reliability and while working to expand solar efforts.

This report explores our accomplishments in 2024 and highlights how, by fulfilling our mission, we empower our Members to best serve their communities.

MISSION 1

KEEP COSTS LOW



Lynne Tejada discusses Keys Energy Services' community role with Amber Shaffer, owner of Ocean Blue and Wyland Galleries in Key West and president of the city's chamber of commerce.

APPROACH TO MISSION

Affordable electricity is essential for a full life. In a year marked by rising costs everywhere you looked, it became more important than ever before to keep costs low for our Members and their customers, and it was a landmark year for FMPA and municipal utilities across the state achieving comparatively low rates.



The Agency's power costs for the All-Requirements Power Project (ARP) began declining after spikes in recent years, and costs are trending downward and toward pre-2020 levels. Lynne Tejada, general manager and CEO of Keys Energy Services, shared that the impacts of FMPA's approach have been significant for the power costs in the utilities budget.

"One of the things that we work on is trying to keep our power costs pretty level throughout the year, so we don't go up and down," Tejada said. "[Customers] have a level of consistency in their billing. That's helpful."

At the end of the fiscal year, Florida investor-owned utilities (IOUs) averaged \$151.92 for a 1,000 kWh residential bill. Florida municipals, however, averaged \$123.26 - a difference of nearly 21%. All municipal utilities had lower average 1,000 kWh hour residential rates than the IOU with the highest rate, and 24 municipal utilities had rates lower than the IOU with the lowest rate.

As a member of the ARP, the efforts to manage and reduce power costs paid off for Keys Energy Services. The utility finished the fiscal year with an average below three IOUs in the state, and Tejada said customers are overall pleased with the utility, believing they view it as responsible government.

"They have seen our rates go up, but then they've seen them go down, and I think that's something that is always a surprise," Tejada said. "Usually when any cost goes up, it doesn't come back down, so I think it helped to build trust in our community that when we said it was a result of a natural gas hike, they saw the rates go up, and then when

natural gas came down, they saw their rates come down."

"I think that was very big that we were able to say, 'Look, there was a cause, we got through it, and now the result is we're back to where we were.' I think that was a big thing in our community. I think they view us as being very reliable, very honest, and they know what to expect."

Tejada, who also serves as vice chair on both FMPA's Board of Directors and Executive Committee, shared that the Key West Chamber of Commerce meets monthly, and the sentiment among attendees is the utility is fiscally responsible and planning for the future.

"It's a good feeling," Tejada said. "It's a moment of pride, and it's not always like that, but in the last several years, it definitely has been."

Key West isn't the only FMPA Member city with positive sentiment among its public and leaders. Lake Worth Beach recently received unanimous approval from its city commission for a base rate increase - intended to support continued improvements within the utility - and a flat fee contribution to the utility's storm fund, a change in trends from previous discussions with concerns about power cost adjustments and frustrations about increases.

Ed Liberty, electric utilities director at the city of Lake Worth Beach, credited this to efforts to educate commissioners on the utility business and what the utility itself has done to reduce costs before pursuing rate increases.

"That doesn't mean they're happy about it," Liberty said about the

"The reality is that we can now add debt service for infrastructure improvements and still remain competitive..."

commissioners' approval of raising rates for the new year. "They certainly recognize that adding cost to the utility bill of the average customer is not easy on a household, so it's a very tough decision for them to make, but they also appreciate that it was a decision we needed to make."

This change in opinion evolved over several years, beginning with Liberty's arrival at the utility in 2017. At the time, the utility ranked among the highest of average 1,000 kWh residential bill comparisons in the state. By 2024, Lake Worth Beach finished the fiscal year with the seventh lowest average electric utility rate across the state among municipal utilities and IOUs.

"You want to be low cost and reliable," Liberty, who represents the utility on FMPA's Board of Directors, said. "You don't want to be high cost and unreliable, which is where we were."

Throughout the last several years, Liberty and the Lake Worth Beach team have explored ways to improve reliability, reduce costs, and invest in infrastructure in meaningful ways. This included working with Florida Gas Utility to maximize the value for available pipeline capacity, auditing pole attachments, and developing a system hardening and reliability and improvement program. Liberty also noted the FMPA Board of Directors' decision to approve the refinancing of debt on the St. Lucie Project resulted in approximately \$2 million in savings for Project participants.

While challenges were happening in parallel, each of these endeavors helped the utility leverage opportunities to increase revenue and explore infrastructure improvements.

"What was happening here in Lake Worth Beach is that everything was being paid for [with] current cash on hand. It was being expensed," Liberty said. "The reality is that we can now add debt service for infrastructure improvements and still remain competitive, so we have the headroom, if you will, to add that debt service then pay for the new infrastructure to significantly improve our reliability."

The improvements throughout the utility are evident, especially with the aforementioned approvals. Liberty believes the unanimous support of the city commission sends a message to the community about how important and necessary the investments are, and the transparency about the utility's spending helps customers understand why it makes certain decisions.

"[The customers] can drive around the service territory and see the new transformers, see the new poles, see the new substations, see the new interconnections - they can see it," Liberty said. "It's not like [the money's] just disappearing, and they can feel the benefit."

FMPA Members like Keys Energy Services and Lake Worth Beach demonstrate every day the critical need for affordable, reliable public power. Through excellent communication with stakeholders, well planned and executed utility projects, and a continued focus on the mission at hand, it's possible for Members to reduce costs, improve reliability and better serve their communities.

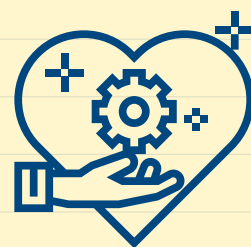


Paul Brunfelt, director of generation for Keys Energy Services, and Tejada tour Stock Island Generating Facility. The site is essential for reliable generation for Key West and FMPA.

STRATEGIC DETAILS



Reducing power costs empowers FMPA Members to pass cost savings down to their customers.



Education and transparency are essential to community support for utility initiatives.

MISSION 2

INVEST IN RELIABLE

GENERATION



Warner Patterson, transmission and substation manager, David Martyniuk, assistant director of electric T&D engineering, Ed Liberty, and Jacob Williams visit the new interconnection in Lake Worth Beach.

APPROACH TO MISSION

This year brought more stability in the natural gas market, allowing prices to level out, and highlighting the importance of planning adequately for the future.



The FMPA Executive Committee worked with the Agency's team to develop a natural gas price mitigation plan. This plan allows participants in the All-Requirements Project to maximize the benefits of the current natural gas market and help prevent future uncertainty.

"We came out of a very difficult time, and we've learned a lot," Tejeda said of the Agency's accomplishments with reliability and generation.

"FMPA has done a tremendous job, first educating the Board members so that we could understand, and then having the Board have really robust discussions about the situation and about ways that we can improve as we move forward and protect ourselves from rapid increases in the cost of natural gas."

As part of planning for the future, FMPA took ownership of and integrated two natural gas combined cycle generation power plants this year, both of which were part of a purchase agreement with Northern Star Generation reached in June 2023. Sand Lake Energy Center, located in Orlando, became part of the FMPA generation fleet in February, adding 120 MW. Mulberry Energy Center, located near Bartow, followed six months later in August, adding 115 MW. Existing team members at both facilities joined the FMPA team, allowing the facilities to be ready for operations day one and providing invaluable expertise.

Aside from the new additions, FMPA's generation fleet continued to perform well. Cane Island Power Park had two units achieve performance records. Cane Island 1 operated for 1,731 total hours in FY24, exceeding the combined total hours of 1,648 hours from FY19 through FY23. The unit also nearly doubled the

previous five-year average for hours per start, operating for 10.1 hours compared to 4.9. Cane Island 2 ran continuously for 184 days, exceeding the previous record of 132 days of continuous operation. These achievements demonstrate the importance of planning and preparing for the future adequately.

Our Members are also busy planning for the future. Tejeda shared it's a "constant effort" for Keys Energy Services to remain reliable in such a unique environment, making it a large priority for the utility to fortify the transmission system. It's crucial for the utility to preserve the transmission line, which functions as the utility's sole connection to the mainland and FMPA's power supply. Additional attention is on the Stock Island Generating Facility, part of the FMPA fleet located in the Keys.

"Generation is becoming more and more important. I think when we originally decided years ago not to retire that generation and to keep it, we thought of it in terms of it would be there for us after a storm when the transmission line went down," Tejeda said about the facility. "What we're seeing now is our dependency is shifting where it's not only after a storm, but it's also during the hot summers that we are experiencing as we're seeing load growth."

"We are relying on that generation more and more to get us through times when our transmission line capacity isn't enough for us, so having that reliable generation, working with the FMPA team [who] comes down all the time - they're so involved with our site. That has been very important to us over the last few years. We're seeing monumental improvements in the generation facility."

"That's a significant event in the history of Lake Worth Beach to have that second interconnection. It's a major milestone for us."

The FMPA team also supported Lake Worth Beach's efforts to improve its reliability. The center of the utility's system hardening improvement program is adding a second interconnection to the FPL transmission system. The city's first - and only - interconnection was built in 1972, and Lake Worth Beach still relies on it today as the city's electric utility locally generates less than one percent of its power needs.

"With the help of FMPA, we were able to successfully negotiate with FPL to bring a second interconnection to our service territory [and] to our community,"

Liberty said. "That's going to significantly improve our reliability, and our level of comfort that we'll have a lower risk of having lights go out because of a single point of failure."

The second interconnection has an anticipated operational date in early 2025. Aside from reliability benefits, the interconnection will also allow the utility to retire portions of its power plant that date back to the 1960s, helping with cost management for Lake Worth Beach.

"I will say clearly that it was because of [FMPA General Manager and CEO] Jacob [Williams] and [FMPA Chief Legal Officer and General Counsel] Jody [Finklea] helping us that we were able to get that across the finish line, and having a willing neighbor in Florida Power and Light, when we were able to reach a win-win solution with both parties benefitting from the project" Liberty said. *"That's a significant event in the history of Lake Worth Beach to have that second interconnection. It's a major milestone for us."*

When emphasizing FMPA's participation in the negotiations and project at large, Liberty noted former team member Carl Turner's efforts. Turner served as the first project manager on the construction efforts at the project's kickoff before leaving the Agency for other opportunities within the industry. Liberty shared that Lake Worth Beach will always remember him for his contributions.

Ahead of the interconnection, the utility has seen other reliability improvements, and Liberty said it is trending in the right direction and improving in terms of both frequency and duration of outages. He noted they're seeing more good days and months than bad days and months, and customers are taking note.

Liberty discussed speaking with customers - especially those who have lived in the Lake Worth Beach area for decades - and hearing *positive messages about the utility and its improvements.* Customers share happily that the lights don't go out as often as they used to, allowing them to see the real-time effects of the utility's hard work and investments.

"They don't have a [reliability] measurement like we do..but they remember a time when the lights went out a lot more than they do today," Liberty said. "They don't know why... [or] how..but they know that it happens a lot less and that's reassuring. And ultimately that's what you want. I think if we do a really good job, we'll be anonymous, right?"

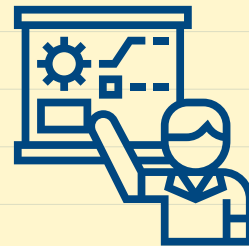


Williams and Liberty discuss how the new interconnection will benefit Lake Worth Beach's customers and improve reliability.

STRATEGIC DETAILS



FMPA acquired and integrated two natural gas plants, adding 235 MW to ARP's generation capacity.



Now is the time to use lessons learned to prepare for the future.

MISSION 3

EXPLORE GENERATION

OPTIONS



Tejeda visits with Andrew Morawski, owner of the Hemingway Home and Museum. He also serves as the director of the Key West Chamber of Commerce.

APPROACH TO MISSION

Aside from completing the successful integration of two natural gas combined-cycle units, FMPA participated in other efforts regarding generation options with lower emissions levels. This included engaging in meaningful discussions about the future of nuclear across the United States and in Florida.



Notably, FMPA Chief Executive Officer and General Manager Jacob Williams participated as a featured speaker at the Florida Public Service Commission's workshop regarding the potential for nuclear power technology in Florida, allowing him to emphasize the need for Florida to diversify its generation mix without sacrificing reliability and being mindful of cost.

Engaging in conversations like these has proven to be beneficial for both the Agency and its Members when making decisions surrounding generation sources, particularly around solar energy. Tejada, who serves as chair for all three ARP Solar Advisory Committees, noted engaging with local officials who have their pulse on the community and educating the Keys Energy Services' board about solar has been essential in guiding the utility's solar decisions. She said the community has a vocal group with a strong interest in solar and increasing the amount of solar in the utility's generation mix.

"They've really pushed the interest of solar, and as you can see by the way [that] KEYS has signed up for the Florida Municipal Solar Projects," Tejada said. "We're moving forward with increasing our solar capacity, and our board has done a great job of balancing the import of local solar versus utility scale solar, so I think that's probably a prime example of where we're balancing the interest of the utility and the interest of the community."

Lake Worth Beach is also a large participant in FMSP, and Liberty serves as chair of the Solar III Project Committee. While there was community interest in solar, organizational restructuring helped the utility best understand how to add it into its generation mix. Restructuring allowed people to have more defined roles and serve as subject matter experts, especially in engineering, power

generation, system operations, and transmission reliability. This process also led to the utility creating its first integrated resource plan.

"In 2018, we developed our first resource plan, which spelled out the subsequent 10, 15, or 20 years how we were going to meet our energy supply requirements," Liberty said. "That's when we introduced the concept of utility scale solar, specifically using the FMPA solar project environment."

Lake Worth Beach and Keys Energy Services were both among the initial 12 participants in the FMSP since its inception in 2018. The project now has nearly doubled in its number of participants and includes three facilities, one of which became operational at the end of the 2024 calendar year.

Liberty highlighted the "tremendous economies of scale" that the FMSP provides to utilities. The structure of the project allows utilities to determine to participate, then work together to achieve a lower cost unit and rate than would be possible for a city or utility to pursue on its own.

"I think that the solar projects have been a tremendous value for the membership - I know it certainly has been for us in Lake Worth Beach," Liberty said. "I think that's going to provide a lot of value to the Members for years to come... and these projects are very powerful because we get to help reduce the carbon footprint of the municipal utilities in the state, so it lowers greenhouse gas emissions, but it also gives us a portion of our portfolio at a price that's not subject to market swings, so it's a predictable price for a portion of our portfolio. That's a very good thing that was possible with FMPA"

NEXT MISSION

STAY ON TARGET



Patterson and Martyniuk complete final checks at the new Lake Worth Beach interconnection ahead of its official operational date.

APPROACH TO MISSION

Moving into 2025, FMPA aims to continue fulfilling our mission and operating with the best interests of Floridians in mind. The Agency is pursuing meaningful ways to reduce costs for our Members, helping them to pass those savings down to their customers. We will also begin the integration process for the third and final power plant acquisition from Northern Star Generation, with an anticipated closing on the facility in early 2026.



FMPA will continue to support our Members and their efforts to best serve their customers. Whether partnering on projects or weighing in as subject matter experts, we want to continue to be a resource as the industry navigates a crucial time in a potentially changing landscape.

“FMPA is full of resources that are true subject matter experts that very few of us could afford to have the equivalent of on our own staff,” Liberty said. “Whether it’s distribution engineers, transmission engineers, contract specialists, technical resources on specific types of devices, assistance in, for example, rate cases, rate case intervention on transmission against the major IOUS along the transmission system, protecting us and negotiating on our behalf, making sure interests are represented...That’s stuff that we could not do on our own, not effectively anyway. Working together with the resources that FMPA has is helping us achieve outcomes that we cannot achieve on our own.”

Tejeda shared a similar sentiment, highlighting the support FMPA’s team provides to Keys Energy Services and the need for utilities to lean on each other as the industry moves forward.

“I think it’s important that the utilities stick together, that we work with and through FMPA to learn from each other to support each other,” Tejeda said. “There are just so many things that we can do when we’re a unified front, so I think that’s a great way to kind of look at what we’re going to do.”

She also emphasized the importance of staying current with training, participating in peer reviews, and developing a strong network among utilities, both at a state and national

level. FMPA will continue to provide a range of learning opportunities for our Members and their staff, including an array of both hard and soft skill training offerings. She noted that Florida isn’t always the first or only place to experience a potential change or policy, creating the opportunity to watch and learn from others.

Tejeda, however, feels one of the most exciting things about this industry is being unable to anticipate exactly what will happen next.

“[The industry] is always changing, and you never know what the next challenge is going to be and how you’re going to solve it,” Tejeda said. “Looking to the future, I don’t know what the challenge will be, but I know FMPA will be here to support KEYS.”

Having the reputation of being a reliable support system for our Members is not something we take lightly, and we look forward to continuing to collaborate with Florida’s 33 municipal utilities and serving more than three million Florida residents.



Barbara Quiñones
Barbara Quiñones
Chair, Board of Directors



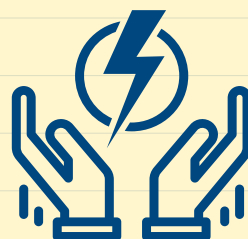
Jacob A. Williams
Jacob Williams
General Manager and CEO

FINANCIAL

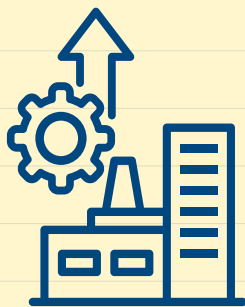
HIGHLIGHTS



AR_P costs per MWh
decreased **22%** from 2023
(from \$91.33/MWh to \$71.61/MWh)



6.1 GWh of energy sales
to participants
(high sales for current 13 participants)



High generation
availability saved
\$2.7 million



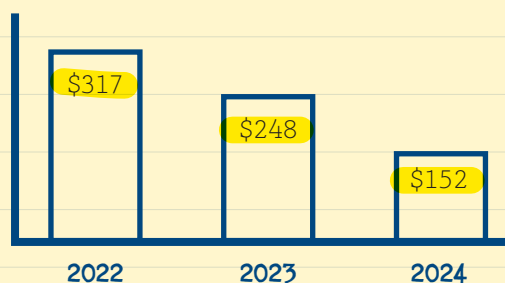
Prepaid natural gas
transactions saved
\$12.1 million



Excess capacity
sales reduced rates
\$0.94/MWh

ARP's Net Expense for Natural Gas

(In Millions)



External Energy Sales

(in Million Megawatt Hours)



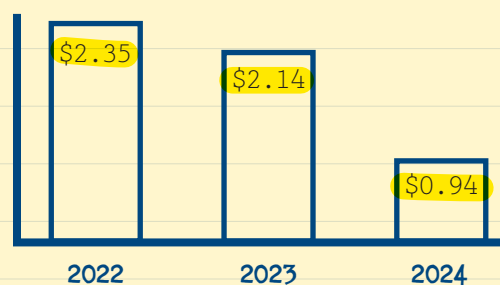
Savings from Prepaid Gas Contracts

(In Millions)



Net Benefit to ARP from External Sales

(Dollars per Megawatt Hour)



ANNUAL COST COMPARISON	FISCAL 2023	FISCAL 2023	CHANGE
All-Requirements Project: Provides the wholesale power needs for 13 Members			
Megawatt Hours Sold	6,040,569	6,119,617	1%
Billings to Participants	\$558,208,000	\$464,065,000	-17%
Cost per Megawatt Hour	\$91.33	\$71.61	-22%
St. Lucie Project: An 8.8% ownership interest in St. Lucie Unit 2, a 984 MW nuclear power plant			
Megawatt Hours Sold	726,227	658,607	-9%
Billings to Participants	\$39,270,000	\$36,319,000	-8%
Cost per Megawatt Hour	\$53.58	\$53.28	-1%
Stanton Project: A 14.8% ownership interest in Stanton Unit 1, a 441 MW coal-fired power plant			
Megawatt Hours Sold	254,654	167,002	-34%
Billings to Participants	\$26,819,000	\$18,608,000	-31%
Cost per Megawatt Hour	\$99.54	\$105.78	6%
Tri-City Project: A 5.3% ownership interest in Stanton Unit 1, a 441 MW coal-fired power plant			
Megawatt Hours Sold	89,186	61,829	-31%
Billings to Participants	\$11,442,000	\$6,349,000	-45%
Cost per Megawatt Hour	\$122.47	\$96.69	-21%
Stanton II Project: A 23.2% ownership interest in Stanton Unit 2, a 453 MW coal-fired power plant			
Megawatt Hours Sold	510,563	398,871	-22%
Billings to Participants	\$55,198,000	\$45,518,000	-18%
Cost per Megawatt Hour	\$103.32	\$111.31	8%

BOARD OF DIRECTORS

AND EXECUTIVE COMMITTEE



FMPA's Governing Board Officers

Left to right: Lynne Tejada, Allen Putnam, Barbara Quiñones, Bob Page, Howard McKinnon

Barbara Quiñones Chair Homestead	Rodolfo Valladares Alachua	Ricky Erixton Jacksonville	Attila Miszti Orlando
Howard McKinnon Chair, Executive Committee Havana	Laura Simpson Bartow	Brian Horton Kissimmee	Rob Nixon Quincy
Lynne Tejada Vice Chair Key West	Traci Hall Blountstown	Ed Liberty Lake Worth Beach	Kolby Urban St. Cloud
Allen Putnam Treasurer Jacksonville Beach	Christina Simmons Bushnell	Michael Beckham Lakeland	Drew Mullins Starke
Robert C. Page Secretary Green Cove Springs	Robert Presnell Chattahoochee	Brad Chase Leesburg	Tony Guillen Tallahassee
	Lynne Mila Clewiston	Steve Langley Mount Dora	James Braddock Wauchula
	Steve Doyle Fort Meade	Rance Green Newberry	Terry Bovaird Williston
	Javier Cisneros Fort Pierce	Efren Chavez New Smyrna Beach	Jamie England Winter Park
	Dino DeLeo Gainesville	Janice Mitchell Ocala	Vacant Moore Haven

FMPA LEADERSHIP

Jacob A. Williams
General Manager and CEO

Jody L. Finklea
General Counsel and CLO

Ken Rutter
Chief Operating Officer

Richard M. Popp
Chief Financial Officer

Sharon L. Adams
Chief People and Member
Services Officer

Chris Gowder
Chief System Operations and
Technology Officer

Sue Utley
Executive Assistant to the
CEO and Assistant Secretary to
the Board of Directors

GENERAL INFORMATION

Financial Statements

Financial statements, past annual reports and more are available on the Investors section of www.fmpa.com.

Consultants

Bond Counsel: Nixon Peabody LLP

Disclosure Counsel: Bryant Miller Olive, P.A.

Consulting Engineers: Burns & McDonnell; GDS Associates, Inc.;
Harris Group; Leidos; nFront Consulting, LLC

Certified Public Accountants: Purvis, Gray and Company

Financial Advisors: PFM Financial Advisors LLC; Dunlap & Associates, Inc.

Caution Concerning Forward-Looking Statements

This document may include certain forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances that may have a material effect on actual results.



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