

**MINUTES
ORLANDO UTILITIES COMMISSION
December 8, 2020
2:00 P.M.**

Present:

COMMISSIONERS:

Cesar E. Calvet, President
Britta Gross, First Vice President
Larry Mills, Second Vice President
Gregory D. Lee, Commissioner
Buddy Dyer, Mayor

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 December 8, 2020 Commission Meeting was held in person and virtually via WebEx.

President Calvet asked Pete Westlake to provide the moment of reflection.

President Calvet asked Maggie Burdette 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 Gross, seconded by Commissioner Lee and unanimously carried, the reading of the minutes of the November 10, 2020 Commission Meeting was waived and the minutes were approved.

On a motion by Mayor Dyer, seconded by Commissioner Lee and unanimously carried, the reading of the minutes of the November 17, 2020 Electric Integrated Resource Plan Public Workshop was waived and the minutes were approved.

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Jenise Osani announced that OUC was recently honored with a 2020 Building Strong Communities award presented by the Florida Municipal Electric Association (FMEA). The recognition is for programs and sponsorships designed to promote conservation and environmental awareness, improve the efficiency of affordable housing, prepare customers for hurricane season, provide financial assistance to customers impacted by the COVID-19 crisis, and for community outreach and engagement initiatives. In the past year, OUC supported a variety of community organizations and activities that impact almost all of residents and seek to make the community stronger. Some of the programs recognized include upgrading the energy efficiency of 83 low-income homes in Parramore, providing nearly 1,600 free home and multi-family energy efficiency audits, and contributing \$12.1 million to a COVID-19 relief fund which includes Project CARE. Additionally, the award recognized educational conservation outreach efforts through the OUC Community Assist Program, Project AWESOME and the Water Color Project, and for sustainability marketing campaigns for the OUCollective and Community Solar programs. OUC has been a recipient of the FMEA Building Strong Communities award each year since the award was created in 2015.

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Clint Bullock asked Claston Sunanon to provide a presentation on Affirmative Item A-2 regarding two Renewable Energy Power Purchase Agreements (PPAs). Mr. Sunanon provided background information for the project, explaining these PPAs replace two previously authorized 74.5 megawatt PPAs that were cancelled due to pricing issues with the developer. NextEra approached OUC with an opportunity to replace the two previously approved PPAs with two 74.5 MW PPAs that will leverage a strategic opportunity to obtain utility-scale solar pricing that reflects the full investment tax credit, and will continue to grow OUC's renewable energy portfolio. The solar farms will be located in east Osceola County and connect directly with OUC's transmission systems. Both PPAs are for a firm term of 20 years with a purchase option. Commercial operations are expected to begin by December 2023. These two projects will increase OUC's solar energy portfolio to 10 percent of retail sales in 2025, and will rank OUC as the Number 3 utility in Florida for solar watts per customer in 2023. Financially, OUC's solar costs have decreased over time and the PPAs ensure no upfront costs. OUC only pays when power is produced. Prices are stable, which hedges against fuel price volatility and does not create any rate impact to customers. OUC will continue to finalize and prepare the PPAs for execution. Solar interconnection projects will be brought to the Commission for approval at a later

date. Mr. Sunanon thanked Chris Browder, Sam Choi, Mia Torres, Ken Zambito, and Wade Gillingham for their work on this project.

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Clint Bullock asked Luz Aviles to provide a presentation on Affirmative Item A-14 regarding the COVID-19 Customer Emergency Response Initiatives. Ms. Aviles reminded Commissioners of the assistance approved at the April 14, 2020 Commission Meeting. The \$500,000 allocated for new Power Pass customers is the only program in which funds have not been exhausted. Ms. Aviles provided a customer programs summary, and responded to a prior question from Commissioner Gross about the percentage of customers reconnecting. Ms. Aviles stated that this has been investigated and reconnection within the first and second days has remained consistent. She explained that one of the key items in getting customers to respond to customer programs has been communicating with customers about the programs and available assistance, and includes both broad and targeted communications. Ms. Aviles summarized how assistance has been provided to customers through the Small Business Assistance Program, Power Pass enhancements, pay plans and payment arrangements, Low-Income Home Energy Assistance Program (LIHEAP), and Project CARE. She also provided a graphic to summarize all customer impact through OUC customer programs. This agenda item is requesting to reallocate \$400,000 from Power Pass and \$500,000 from the economic development fund in order to extend assistance to residential customers through an estimated time period of January 4, 2021.

Commissioner Gross asked about the 8 percent conservation effect associated with Power Pass. Ms. Aviles responded that it was because customers are more conscious of dollars put in and tend to be more conservative about energy usage in their homes.

Commissioner Gross asked for clarification regarding whether the number of customers who have received financial assistance and customers who have received delayed/deferred balances are unique, or can overlap. Ms. Aviles stated that these customer groups can overlap.

President Calvet stated that the Power Pass numbers are encouraging.

Mr. Bullock noted that customers in the Power Pass Program tend to be more cognizant of energy being used on a weekly basis.

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President Calvet presented the Affirmative Items for approval. On a motion by Mayor Dyer and seconded by Commissioner Lee, Affirmative Items A-1 through A-21 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in September 2020 in the aggregate amount \$14,293,351.85 as follows:

NATURAL GAS PURCHASES:

September 2020	ConocoPhillips	\$1,186,219.21
September 2020	EDF Trading	\$1,790,695.80
September 2020	Infinite Energy	\$ 565,048.68
September 2020	Macquarie Energy	\$ 202,262.17
September 2020	Municipal Gas Authority of Georgia	\$ 752,850.00
September 2020	Rainbow Energy Marketing Corp	\$ 231,173.00
September 2020	Southwest Energy. L.P.	\$ 502,722.00
September 2020	Southwestern Energy	\$ 174,407.20
September 2020	Tenaska Marketing Ventures	\$ 982,574.43
September 2020	Texla Energy Management, Inc.	\$ 636,189.87

COAL PURCHASES:

September 2020	Crimson Coal Corporation	\$5,772,694.39
September 2020	Foresight Coal Sales, LLC	\$1,496,515.10

2. Authorization for the General Manager & CEO to execute two renewable energy Power Purchase Agreements with Harmony Florida Solar II, LLC and Storey Bend Solar, LLC, pending final contract negotiations and OUC legal review. The anticipated contract terms are twenty years at an estimated cost of \$222.1 million for 149 MW of solar photovoltaic capacity;
3. Approval of Change Request No. 2 to the Capital Expenditure Estimate for construction services required for the Lower, Lower Floridan Aquifer Brackish Groundwater Project – Phase 3 of 4 in the amount of \$4,760,800, increasing the total project cost to \$5,698,062.69. Approval of a RFP #4911 – contract award to All Webbs Enterprises Inc., the lowest, most responsive, and responsible supplier, to provide construction services to install the exploratory well in the amount of \$4,164,150;
4. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Pike Electric, LLC in the amount of \$13,600,000 to provide electric distribution construction and maintenance services through June 30, 2023, increasing the total Purchase Order amount to \$47,800,000;
5. Authorization for the General Manager & CEO to execute the Joint Project & Reimbursement Agreement with Orlando Health for the Columbia Street Road Improvement Project – Phase 1 of 2. Approval of an Electric Distribution Construction Estimate for engineering and construction support necessary to complete the manhole duct-line system in the amount of \$577,192.45. Approval of a Purchase Order to

- Orlando Health to provide construction management and construction services for the project in the amount of \$497,579.70;
6. Approval of a Purchase Order to Prime Construction Group, Inc. to provide construction services for the Division Avenue Water Main Replacement – Phase 1 of 2 of the Hughey, Division, & Garland Avenues Water Main Replacement Project in the amount of \$1,327,980.50;
 7. Authorization for the General Manager & CEO to execute a Joint Participation Agreement with the City of Orlando for the Urban Trail Gap and Extension Connectivity Project, North Trail Segment. Approval of Change Request No. 1 to the Water Distribution Construction Estimate in the amount of \$926,925.13 for engineering, construction, administration, and inspection costs necessary to complete the Urban Trail Gap and Extension Connectivity Project, North Trail Segment, increasing the total project cost to \$987,180.93. Approval of an OUC initiated scope change and conforming Change Order No. 1 to the City of Orlando in the amount of \$729,727 to provide final design, construction, administration, and inspection costs for the Urban Trail Gap and Extension Connectivity Project, North Trail Segment, increasing the total Purchase Order amount to \$779,117;
 8. Approval of Change Request No. 1 to the Transmission Capital Expenditure Estimate in the amount of \$11,227,000 for detailed engineering, permitting, material procurement, and construction services necessary to complete the Weber to Country Club 115kV Underground Transmission Line Upgrade Project, increasing the total project cost to \$11,302,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Power Engineers, Inc. in the amount of \$1,140,000 to provide engineering, surveying, and construction support services, increasing the total Purchase Order amount to \$1,215,000. Approval of a sole source Purchase Order to The Okonite Company to provide 115kV underground transmission pipe-type cable in the amount of \$5,426,000;
 9. Authorization for the General Manager & CEO to execute Amendment 1 to the Interlocal Project Agreement No. 1 with the Central Florida Regional Transportation Authority d/b/a LYNX. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$900,000 for an additional battery system and future infrastructure replacement for the LYNX eBus Pilot Program, increasing the total project cost to \$2,100,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Central Florida Regional Transportation Authority d/b/a LYNX in the amount of \$400,000 for the

- eBus battery contribution and rights to study the end-of-life battery opportunities, increasing the total Purchase Order amount to \$432,000;
10. Approval of a single source Purchase Order to Atos IT Solutions and Services Inc. for Interactive Voice Response software maintenance and support from April 1, 2021 through March 31, 2024 in the amount of \$315,469.35;
 11. Approval of an OUC initiated scope change and conforming Change Order No. 3 to the qualified vendor in the amount of \$97,370.67 for additional host and seat licenses for adaptive network automation software, and maintenance and support for the period of December 9, 2020 through October 10, 2022, increasing the total Purchase Order amount to \$187,276.36;
 12. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Presidio Networked Solutions, Inc. in the amount of \$52,572.80 for network engineering services through September 30, 2021, increasing the total Purchase Order amount to \$103,606.79;
 13. Approval of an OUC initiated scope change and conforming Change Order No. 5 to Turbonomic, Inc. in the amount of \$32,039.04 for VMware software maintenance and support for the period of January 1, 2021 through December 31, 2021, increasing the total Purchase Order amount to \$123,769.88;
 14. Approval to reallocate \$900,000 of the originally approved COVID-19 customer emergency response funds to the Project Care program administered by United Way, for a total amount of \$3.5 million;
 15. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Cubix, Inc. in the amount of \$212,589 to continue providing carpet, flooring, and upholstery services through December 14, 2021, increasing the total Purchase Order amount to \$1,333,989;
 16. Approval of RFP #4912 – Contract award to Franklin Covey, the lowest, most responsive, and responsible supplier, to provide leadership development content services in the amount of \$170,900. The contract term is three years with two one-year renewal options;
 17. Approval of a Purchase Order to Cornerstone OnDemand to continue administration of the talent management system in the amount of \$471,810.84. The contract term is three years with two one-year renewal options;
 18. Authorization for the General Manager & CEO to execute the Joint Participation Agreement with the City of Orlando for The Packing

District Dark Fiber Pilot Project. Approval of a Capital Expenditure Estimate for installation of fiber and undergrounding of electric services for The Packing District Dark Fiber Pilot Project in the amount of \$3,478,738. Approval of a Purchase Order to the City of Orlando for construction management and construction services along North Texas Avenue required for The Packing District Dark Fiber Pilot Project in the amount of \$590,804. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Central Florida Underground, Inc. in the amount of \$1,741,440 to install the underground conduit and manhole duct-line required for The Packing District Dark Fiber Pilot Project, increasing the total Purchase Order amount to \$15,741,440;

19. Authorization for the General Manager & CEO to execute a Release of Easement and a Partial Release of Easement for Lake Nona Town Center, for property located south of Nemours Parkway and west of Lake Nona Boulevard;
20. Approval of an OUC initiated scope change and conforming Change Order No. 2 to CH2M Hill Engineers, Inc. in the amount of \$119,491.12 to continue providing annual groundwater monitoring and reporting services through August 31, 2022, increasing the total Purchase Order amount to \$434,696.34; and
21. Approval of the 2021 Commission Meeting dates on January 26, March 9, April 13, May 11, June 8, July 13, August 10, October 12, November 9, and December 14.

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Clint Bullock asked Linda Ferrone and Jan Aspuru to provide a presentation on New Business Item NB-1 regarding the Electric Integrated Resource Plan (EIRP.) Ms. Ferrone summarized OUC management's clean energy roadmap recommendation. She reiterated that this plan significantly reduces carbon emissions, achieving net zero by 2050. Coal-fired generation will be significantly reduced no later than 2025 and eliminated no later than 2027. Both Stanton coal-fired units will be converted from coal to natural gas and both converted units would be retired no later than 2040. She explained how stakeholder input was foundational to the EIRP, including a 12-member independent Advisory Council which ranked four key attributes in the order of reliability, affordability, sustainability, and resiliency. Ms. Ferrone clarified how the EIRP uses energy efficiency and distributed generation. She explained that the EIRP Roadmap was developed using stochastic modeling for key inputs, and achievable estimates were used for modeling purposes to ensure reliability. The energy efficiency inputs for 30 years are intentionally conservative and do not match OUC's goals for 2020 and 2021. She discussed the difference between energy efficiency

supply side and demand side programs and how our goals are derived and set separately from the EIRP as part of our Strategic Planning Process and reviewed by our Board of Commissioners. Ms. Ferrone also stated that an energy efficiency optimization study would be initiated in 2021 to help inform future energy efficiency programs and goal setting.

Commissioner Mills asked if the reason why the EIRP does not appear to be strong in energy efficiency is because it is tied to the phrase achievable forecast, and wanted the public to understand how staff is setting stretch goals.

Ms. Ferrone emphasized that OUC decided to take a conservative approach to ensure the EIRP energy plan would meet customer demand. The EIRP is a model, and stretch goals will be set with the Board.

Mr. Aspuru discussed how the EIRP treats distributed generation. The long-term sales forecast is one of these inputs of which distributed generation is a component. Conservative estimates were used for modeling purposes. He reiterated that the EIRP does not set OUC's solar distributed generation goal or change net metering.

Mr. Aspuru summarized OUC's path forward, including the clean energy roadmap and how OUC plans to achieve more than 50 percent renewable fuel sources by 2030. He emphasized that this plan is not risk averse, but also was designed to be sure to meet customer demand. He stressed that implementing the EIRP roadmap requires flexibility, and OUC plans to conduct an EIRP approximately every five years moving forward as technology and economic conditions change. Strategic goal alignment will support the successful implementation of the EIRP roadmap as well as other customer, employee, and community initiatives. After the Commission adopts the EIRP optimized portfolio as a macro level of the path forward, the final report will be completed and released. Associated detailed work will be conducted and brought to the Commission for approval at a future date.

Mayor Dyer asked Mr. Aspuru to emphasize that the EIRP is not setting any net metering or energy efficiency goals. Mr. Aspuru confirmed that the EIRP is not setting any of those goals or making any changes to the net metering policy or program. Any such changes will be brought to the Board for future approval.

Mayor Dyer requested clarification that OUC is not attempting to quell the rooftop solar market and is looking for ways to improve the program, as well as why some members of the community believe that the EIRP changes net metering.

Mr. Aspuru stated that staff used the NREL forecast related to net metering and decided to take a conservative approach for the EIRP.

Commissioner Gross compared this to energy efficiency in the EIRP, which is assuming what would be needed under the most conservative conditions.

Mr. Bullock stated that the primary goal is reducing CO₂ emissions in the most cost effective way.

Commissioner Calvet asked why members of the public have gathered that interpretation. Mr. Aspuru and Mr. Bullock stated that it was the interpretation of the report that used conservative inputs in order to generate a model that would meet customer demand. The plan will be adjusted and changed as needed, and there will be future EIRPs that incorporate future technology advancements, customer changes, and other impacts.

Commissioner Mills stated that customers hear that the plan will change but assume that it is being done without transparency. He stated that OUC needs to lose the stigma of being risk averse.

Mr. Bullock emphasized that the CO₂ reduction goals, that have been approved by the Board, are not risk averse. A discussion ensued about why the public does not seem to hear this.

Mayor Dyer stated that shutting down the coal plants is the most important part of the EIRP, and compared OUC's conservative approach with setting the City of Orlando budget.

Commissioner Lee stated that the EIRP is a fantastic plan and hopes that confusion can be cleared with future dialogue, meetings, and clarifications.

Mr. Bullock emphasized that OUC does not want to fall short of customer demands and that we are all responsible for keeping the lights on.

The Recording Secretary polled virtual public attendees for any comments under the New Business portion of the meeting agenda.

Justin Vanderbroek, an OUC customer, spoke about OUC's solar programs and net metering.

Michael Cohen, an OUC customer, spoke about net metering and distributed storage.

Aria McKenna spoke about net metering and fracked gas.

Jacob Williams spoke about the Florida Municipal Power Agency's 30 percent ownership in the Stanton Energy Center and expressed support of OUC's EIRP.

Charles Behrens spoke about fracked gas and rooftop solar.

Elizabeth Mathis, an OUC customer, spoke about low-income customers.

Susan Glickman spoke about fracked gas and customer input in the EIRP.

Heaven Campbell spoke about cross subsidization and net metering.

Raquel Fernandez Makarov, an OUC customer, asked if the EIRP commitment to retire the coal units is subject to change.

Mayor Dyer thanked the staff for their work on the EIRP, the further education of the process, and addressing public comments. He emphasized that this is a macro level scenario plan that looks to understand future load need and how OUC will meet that need. He stated that OUC needs to focus on the key attributes of affordability, reliability, and resiliency as much as sustainability. He is very proud of the City's accomplishments in sustainability and believes that OUC is aligned with the City's goals. He stated that closing the Stanton coal units in 2025 and 2027 exceeded his expectations. He stressed the importance of the green economy to the local community. He is supportive of the EIRP as written but wants to be mindful of improving the energy efficiency to more than half a percent and to be protective of the rooftop solar market.

Commissioner Gross thanked Mr. Vanderbroek for his comments regarding the local green economy and thought they were very astute. She noted that, contrary to what was said in some public comments, it is not right to infer that OUC will replace coal with fracked gas. OUC has set a critical goal of 50 percent solar and energy storage by 2030. She stressed that the highest priority is curbing all coal emissions in the near term, and that is a real success of the EIRP. She stated that OUC should keep working on getting wind energy into the state of Florida. The plan is a fantastic starting point and staff should continue working on stretch goals.

Commissioner Lee echoed the previous comments. He thanked the members of the public for their comments. He emphasized that the goal is to move away from reliance on fossil fuels and become a more sustainable utility. He noted that using gas is a transition and not being prioritized over more sustainable energy sources. He looks forward to the further development and evolution of the EIRP, and hopes to exceed the goals and framework.

Commissioner Mills echoed the statements that have been previously stated at this meeting and the public workshop. He stated that the process has been interesting and enlightening. He is prepared to offer a motion to adopt the EIRP optimized portfolio as a framework going forward.

President Calvet agreed with previous comments by other Commissioners about not believing the EIRP plan would make recommendations for the Stanton coal units to close so soon and is glad to see that as part of the EIRP. He is impressed by what staff has done with the EIRP.

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

NB-1 Adoption of the Electric Integrated Resource Plan Optimized Portfolio.

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Mindy Brenay shared preliminary results from the November 2020 financial statement, which included \$1.8 million of revenues ahead of budget. She noted that while overall revenues were ahead of budget, this was primarily from electric revenues as a result of warmer than normal weather as water revenues were below budget. She noted that water revenues continue to be impacted by the change in commercial operations from COVID-19. Resale revenues beyond budget are being deferred pending the development of a financial plan to support the Board approved Electric Integrated Resource Plan.

Ms. Brenay stated that residential and commercial aged receivables over 30 days continue to be higher than average. November includes payment arrangements of \$2.6 million, and payment arrangements represent approximately 42 percent of the residential aged receivable balance higher than 30 days.

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Mr. Bullock thanked the Commissioners for their support on the EIRP. He thanked OUC staff for their work on the EIRP. He also thanked Mr. Aspuru, Ms. Ferrone, Ms. Brenay, Ms. Palakkat, and Ms. Osani for their work on the Executive Committee. He thanked the members of the Steering Committee, including Sam Choi, Lisa Curran, Elizabeth Elharatti, Wade Gillingham, Mike Khyos, Keith Mutters, Lawrence Strawn, and Mia Torres. He thanked Mr. Sunanon for his work as the project manager.

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Mr. Bullock noted the recent dismissal of the Stanton Energy Center class action lawsuit and thanked the Commissioners for their support during the process. He thanked the Legal team, including Chris Browder and Carlos Woody, Mr. Aspuru and Mr. Gillingham, Ms. Ferrone and Ms. Osani and the communications team for their work during this process.

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Mr. Bullock wished everyone a safe and happy holiday season.

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Mayor Dyer wished everyone Happy Holidays and encouraged everyone to wear a mask.

Commissioner Mills wished everyone Happy Holidays and Merry Christmas.

Commissioner Lee wished everyone Happy Holidays and thanked everyone again for their hard work on the EIRP.

Commissioner Gross stated that a year or two ago, she did not think she could support any EIRP that did not include shutting down the coal units by 2030, and is glad to see that as part of the EIRP. She thanked the entire team for their hard work and responsiveness to questions.

President Calvet wished everyone Happy Holidays and Merry Christmas.

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President Calvet adjourned the meeting at 4:22 P.M.

President

Secretary