

**MINUTES
ORLANDO UTILITIES COMMISSION
November 9, 2021
2:22 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

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
Latisha Thompson, Chief Employee Experience Officer
Manju Palakkat, Chief Transformation & Technology Officer
LeMoyne Adams, Luz Aviles, Wade Gillingham, Jenise Osani, & Ken Zambito,
Vice Presidents
Francesca Sirandoni, Acting Recording Secretary

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The November 9, 2021 Commission Meeting was held in person and virtually via WebEx.

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

President Gross asked Roberto DeMarquez to lead the Pledge of Allegiance to the Flag.

President Gross called the November 9, 2021 Commission Meeting to order at 2:22 P.M.

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On a motion by Commissioner Calvet, seconded by Mayor Dyer and unanimously carried, the reading of the minutes of the October 12, 2021 Commission Meeting was waived and the minutes were approved.

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Latisha Thompson presented the first community recognition. In honor of Veteran's Day, Ms. Thompson recognized the 112 active OUC employees who have served the nation's armed forces. She stated flag ceremonies will be held across OUC's locations. Veterans are encouraged to attend these ceremonies wearing their service uniforms or an item that honors their branch of service. Ms. Thompson stated the OUC will join other local businesses at the upcoming Veteran's Day parade held in Downtown Orlando. OUC employee veterans will also be featured on OUC's social media platforms throughout the month of November. Ms. Thompson concluded by recognizing Roberto De Marquez's efforts with the Florida National Guard in serving at COVID 19 testing sites throughout South Florida.

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Ms. Osani stated that OUC's PROUD Volunteer program recognizes the many employees who provide their skills, time, and dedication to various non-profit organizations throughout Central Florida. The program has been enhanced to better align and support OUC's Connected 2025 Strategic plan, which includes an emphasis on employee giving. These enhancements include quarterly volunteer employee events, integration of digital reporting, and alignment of the volunteer year with the fiscal year instead of the calendar year. Collectively, ninety-one OUC employees donated more than 5,542 hours of volunteer service to more than eighty organizations, which represents a 60 percent increase from last year. Ms. Osani announced that the top three 2021 PROUD volunteers are Michael Stephens with 462.3 hours, Kevin Cooper with 733.8 hours, and Lawrence Strawn with 734.3 hours.

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Mr. Bullock asked Jan Aspuru to provide a presentation on Affirmative Item A-9 regarding Battery Energy Storage on Utility-Scale Photovoltaic (PV) Systems. Mr. Aspuru presented on the Electric Integrated Resource Plan (EIRP) Improved Optimized Portfolio, which includes plans to retire Stanton Unit 1 and the conversion of Stanton Unit 2 to natural gas between 2025 and 2027. The Harmony and Storey Bend Solar farms are currently under construction and will be operational at the end of 2023. Mr. Aspuru summarized solar reliability and resiliency challenges and how the energy storage agreement with NextEra will greatly assist with mitigating these challenges through battery storage. 40 MW, or 2-hour duration battery storage, will be sited at the Storey Bend solar farm and will help to smooth fluctuating solar PV outputs of both solar farms.

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President Gross presented the Affirmative Items for approval. On a motion by Mayor Dyer and seconded by Commissioner Lee, Affirmative Items A-1 through A-22 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in August 2021 in the aggregate amount \$24,034,675.01 as follows:

NATURAL GAS PURCHASES:

August 2021	Clarke-Mobil Counties	\$ 595,200.00
August 2021	ConocoPhillips	\$ 567,447.50
August 2021	EDF Trading	\$7,625,794.66
August 2021	Koch Energy	\$1,398,357.77
August 2021	Mansfield Power & Gas LLC	\$ 573,574.34
August 2021	Municipal Gas Authority of Georgia	\$1,269,450.00
August 2021	Tenaska Marketing Ventures	\$3,756,762.45
August 2021	Texla Energy Management	\$1,857,791.40

COAL PURCHASES:

August 2021	Crimson Coal Corporation	\$4,764,693.99
August 2021	Foresight Coal Sales, LLC	\$1,625,602.90

2. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$250,844 for programming design and support services of the Conway Water Treatment Plant Programmable Logic Controllers Upgrade Project, increasing the total project cost to \$974,751.23. Approval of an OUC initiated scope change and conforming Change Order No. 4 to CH2M Hill Engineers, Inc. in the amount of \$250,844 to provide programmable logic controllers programming design and support services required to incorporate the Conway Water Treatment Plant's Granular Activated Carbon Treatment System, increasing the total Purchase Order amount to \$581,310.40;
3. Approval of RFP #5055 – Contract award to ESC Spectrum Corporation, the lowest, most responsive, and responsible supplier, to provide service and maintenance for the Stanton Energy Center Units 1 & 2 Mercury Continuous Emissions Monitoring System in the amount of \$326,720;
4. Approval of RFP #5063 – Contract award to CT/HX Services, LLC, the lowest, most responsive, and responsible supplier, for installation of new fill material and drift eliminators in the OUCooling Lockheed Martin Chilled Water Plant's cooling towers in the amount of \$323,770;
5. Approval of a sole source Purchase Order to Alimak Group USA Inc to provide inspections, maintenance, and repair services for the Stanton Energy Center rack and pinion elevators in the amount of \$507,040;

6. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Combined Cycle Unit B Steam Turbine Valve Spares Upgrade Project in the amount of \$545,412.91. Approval of a sole source Purchase Order to General Electric International, Inc. to provide the Stanton Energy Center Combined Cycle Unit B steam turbine valve spares in the amount of \$545,412.91;
7. Approval of RFP #5017 – Contract award to Mineral Labs, Inc., the lowest, most responsive, and responsible supplier, to provide solid fuel quality testing and audit services in the amount of \$862,336;
8. Approval of RFP #5048 – Contract awards to Qualus Power Services Corp. d/b/a CE Power Solutions, LLC; Circuit Breaker Sales, LLC.; TAW Technical Field Services, Inc.; Electric Power Systems International, Inc.; and Electrical Engineering Enterprises Inc., the most responsive and responsible suppliers, to provide switchgear and breaker testing and repair services at Stanton Energy Center Units 1 and 2, Combined Cycle Unit B, Indian River Plant, and the Osceola Generation Station facilities in the aggregate amount of \$388,000;
9. Authorization for the General Manager & CEO to execute the Amended renewable energy Power Purchase Agreement with Storey Bend Solar, LLC and/or an Energy Storage Agreement for the installation of battery energy storage, pending final evaluation, contract negotiations, and OUC legal review;
10. Approval of RFP #5036 – Contract award to All Terrain Tractor Service, Inc., the lowest, most responsive, and responsible supplier, to provide asphalt and concrete surface restoration services in the amount of \$670,069.51;
11. Approval of Change Request No. 1 to the Water Distribution Construction Estimate in the amount of \$783,057.22 for construction, inspection and administrative costs for the Hicks Avenue Water Main Relocation Project, increasing the total cost to \$891,464.22. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Dewberry Engineers, Inc. d/b/a Dewberry Bowyer-Singleton in the amount of \$15,400 to provide professional engineering services for the Hicks Avenue Water Main Relocation Project, increasing the total Purchase Order amount to \$102,825. Approval of a Purchase Order to Cathcart Construction Company - Florida LLC to provide construction services for the Hicks Avenue Water Main Relocation Project in the amount of \$379,458;
12. Authorization for the General Manager & CEO to execute the Joint Participation Agreement with the City of Orlando for the Lake of the

Woods to Al Coith Park Improvements Project. Approval of Change Request No. 1 to the Water Distribution Construction Estimate in the amount of \$1,227,524.13 for final engineering, construction, administration, and inspection costs necessary to complete the Lake of the Woods to Al Coith Park Improvements Project, increasing the total project cost to \$1,270,259.57. Approval of an OUC initiated scope change and conforming Change Order No. 1 to City of Orlando in the amount of \$1,066,924.65 to provide final engineering, construction, and administrative services for the Lake of the Woods to Al Coith Park Improvement Project, increasing the total Purchase Order amount to \$1,103,450.67;

13. Approval of RFP #5037 – Contract award to JM Test Systems, Inc., the lowest, most responsive, and responsible supplier, to provide testing of electrical personal protection equipment and insulated devices in the amount of \$321,195.60;
14. Approval of the Electric Distribution Construction Estimate for the TripSaver Smart Grid Project on Substation No. 12 located in the northwest region of the Orlando service territory in the amount of \$603,071.98;
15. Approval of the Electric Distribution Construction Estimate for the West Sand Lake Road Extension Project for the installation of underground electric distribution facilities in the amount of \$2,738,470.25, with a customer contribution in the amount of \$960,787.50;
16. Approval of a Purchase Order to Advizex Technologies LLC to provide server maintenance and support services in the amount of \$235,150;
17. Approval of an OUC initiated scope change and conforming Change Order No. 2 to IBM Corporation in the amount of \$324,801.76 for annual software maintenance and support of the Cognos and Tivoli software, increasing the total Purchase Order amount to \$1,173,137.96;
18. Approval of an OUC initiated scope change and conforming Change Order No. 4 to DocuSphere in the amount of \$56,011.90 for annual software maintenance and support of the Tungsten software, increasing the total Purchase Order amount to \$212,712.67;
19. Approval of a sole source Purchase Order to Keyrus USA Inc. for professional services to implement the Enterprise Data Analytics Platform Framework and Configuration Project in the amount of \$321,596;

20. Approval of a Purchase Order to Burgess Chambers & Associates, Inc. to provide retirement benefit investment consulting services in the amount of \$258,000;
21. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Level One, a Doxim Company, in the amount of \$1,635,693 to continue providing bill print, development, and support services, increasing the total Purchase Order amount to \$5,302,260;
22. Approval of additional funding in the amount of \$250,000 with conforming Change Order No. 1 to Shutts & Bowen, LLP for legal services, increasing the total Purchase Order amount to \$347,000.

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President Gross asked if there were any comments for New Business Item 1 regarding the Commissioner nomination. The City of Orlando Nominating Board submitted three candidates for consideration of the position currently held by Larry Mills, whose term expires December 31, 2021.

Commissioner Mills announced a conflict of interest, in as much as this matter considers his own appointment. He stated that he will abstain from voting on this item, per Florida State Statute, in that no member of a municipal council should vote on a motion regarding their right as a member.

Mayor Dyer moved to enable Larry Mills, an OUC customer and qualified elector, to succeed himself as a Commission member, as is allowed by the Charter of the Commission, and that his name be submitted for consideration as the Commission's nomination to the Orlando City Council for election to serve a term of four years, effective January 1, 2022. Commissioner Lee seconded the motion and it was approved on a vote of 4-0. Commissioner Mills abstained from the vote.

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Mr. Bullock asked Linda Ferrone to provide a status update on the evaluation process for OUC's solar program. He stated that OUC has not completed this evaluation process, nor have a recommendation and nor have changes been made. Mr. Bullock provided assurance that a vote will not be taking place as of yet.

Ms. Ferrone provided an update on how OUC is progressing on the Rooftop Solar business case project. OUC offers a wide portfolio of different types of solar products, including the addition of the solar PV system battery rebate. OUC is taking a holistic approach and is looking at every part of the current solar business model. Ms. Ferrone stated OUC's objectives are to ensure equitable solutions, promote renewable energy, and increase customer satisfaction. She

described the stakeholder engagement approach that includes customer surveys conducted online and by phone, as well as interviews and workshops conducted through different partners and third parties. Ms. Ferrone thanked those who participated in the process. She stated that OUC will follow their guiding principles, one being to achieve net zero carbon emissions cost-effectively in order to meet their goals. These goals, which were discussed at the EIRP, are reliability, resiliency, sustainability and affordability. Ms. Ferrone further stated that OUC wants to support the growth and promote rooftop solar and highlighted one of the products, OUCollective rooftop solar, as having a more positive impact on CO₂ emissions reduction when paired with energy storage. She stated that multi-family properties will be taken into consideration, along with customers of all income levels.

Commissioner Mills inquired about the timeline of the study. Ms. Ferrone explained the timeline is still under consideration in anticipation of the completion of the stakeholder engagement feedback. OUC will look at the input and will evaluate whether additional analysis is needed. Once the analysis is completed, OUC will have a better understanding of the final timeline.

Commissioner Mills asked if OUCollective will be packaged as a product offering. Ms. Ferrone responded that OUC will reimagine the OUCollective product, however, it is too early to say what OUC's customer's thoughts are on product design.

Commissioner Lee stated that correspondence received by management on the subject suggested that there is a possible correlation between the research by OUC and the research by Florida Power & Light (FP&L). He asked if there are any correlations and if OUC intends to look at FP&L's research as part of the process. Ms. Ferrone replied that there is no correlation and that many other utilities in Florida are also looking at this type of data to better understand how to overcome the financial challenges, while meeting customer's needs and deciphering the best approach. She also explained that OUC has no knowledge of FP&L's rooftop solar activities.

Commissioner Lee clarified that he wanted to ask the question as there seems to be a sentiment that there has been some collaboration. Ms. Ferrone responded that the survey timing was unfortunate as FP&L had sent out a survey with a very different focus and intent at the same time, resulting in misinterpretation by members of the community.

Mayor Dyer stated that he had heard from a constituent who felt that some of the questions may have been a little biased toward a certain outcome. Ms. Ferrone replied that Research America, the company OUC used to conduct the survey, is a professional and trusted survey company. There was a question or two that were incorrectly perceived. However, OUC is trying to educate and obtain a broader response from their customer base.

Mayor Dyer stated his response to the constituent was that the survey's purpose was for OUC to better understand their customer's reactions.

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Commissioner Calvet stated that the Audit Committee (Committee) conducted its regular meeting on October 25, 2021, in person and via WebEx. The Committee reviewed the preliminary financial results for the fiscal year ended September 30, 2021, including an action for recommendation for Board approval. The Committee recommends Board approval of a proposed regulatory action to defer wholesale revenues up to \$8 million to base reserves.

The Committee also reviewed the preliminary Connected 2025 financial metrics, inclusive of the recommended regulatory action, noting alignment with the target ranges and the preliminary 2021 budgeted net income before contributions of \$101.1 million.

The Committee was provided with an update by management of the Clean Power Plan financial roadmap, a preview of the Pricing Public Workshop scheduled for November 9, 2021, and an overview of rising costs as a result of increasing supply chain constraints.

Ernst & Young, OUC's external auditors, provided the Committee with an update of the Fiscal Year 2021 financial statement audit.

The Committee reviewed Internal Audit's 2021 Risk Assessment and 2022 Project Selection; and approved the 2022 Internal Audit Plan. The Committee also reviewed the quarterly update of internal audit activities, including an overview of the overall completed and in-process Fiscal Year 2021 projects.

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

PRES-1a Approval to defer up to \$8 million of resale energy revenues to the electric base rate reserve fund to be recognized in future periods consistent with the revenue requirement and the Commission-approved Operating Budget.

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Ms. Brenay presented the October 2021 preliminary financial report. She disclosed that within the packets were the preliminary financial results for the year-ending September 30, 2021. For the month of October 2021, Ms. Brenay shared that while consolidated electric and water revenues were favorable to budget, COVID 19 impacts and the call to customers to heighten their water conservation impacted water revenues. In addition, Ms. Brenay noted that unplanned wholesale revenues from the City of Lakeland continue to be deferred

pending the alignment with the asset retirement for the McIntosh 3 generation facility. Ms. Brenay concluded that the year-end financials will be shared with the Audit Committee at their December meeting.

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The Acting Recording Secretary called for public comments.

Mindy O'Neill spoke about rooftop solar.

Jose Perez spoke about net metering.

Samira Smith, an OUC customer, spoke about solar industry job security.

Olof Tenghoff, an OUC customer, spoke about net metering.

Jeremy Booska, an OUC customer, spoke about net metering.

Raquel Fernandez Makarov, an OUC customer, spoke about net metering.

Wayne Wallace spoke about net metering.

Justin Vandebroek, an OUC customer, spoke about the OUC Research America Survey on Solar Options.

Deborah Green spoke about OUC as a municipal utility and net-metering.

Charles Behrens, an OUC customer, spoke about OUC's Research America Survey on solar options.

Heaven Campbell spoke about OUC's Research America Survey on solar options.

Ben Millar spoke about OUC's Research America Survey on solar options.

Bill Johnson spoke about OUC's Research America Survey on solar options.

Mariano Rocafort, an OUC customer, spoke about net metering and his company, ProSolar.

Nathan Traynor, an OUC customer, spoke about net metering and the solar industry jobs at his company.

Daniel Coman spoke about the preservation of solar jobs, the benefits that solar has on the environment, and clean energy initiatives.

Thomas Rhedl spoke about net metering.

Eugene Stoccardo, an OUC customer, spoke about rooftop solar and net metering.

Catherine Hudson spoke about net metering.

Chuck Bollick, an OUC customer, spoke about net metering and OUC's Research America Survey on solar options.

Josh Kearns spoke about net metering and the solar industry.

Jim Purekal spoke about net metering.

Shauna Junco, an OUC customer, spoke about net metering protection.

Deb Saxton spoke about OUC's Research America Survey on solar options.

President Gross thanked the public who spoke in person and by WebEx for their comments. She assured the public that their comments had been noted and that responses will be provided. She also noted that emailed public comments have been provided to the Commissioners.

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Mr. Bullock also thanked the community members for expressing their thoughts about net metering. He acknowledged that there is a lot of work to be done and that OUC will continue to listen to their customers, as well as work through their planning. He reiterated that OUC is committed to reducing CO₂ emissions and has already taken actions to move in that direction, and will continue to do so. He assured that OUC will work on a balanced plan.

Mr. Bullock provided an update on the recent ceremony that celebrated the launch of the 2030 Solar Pledge led by OUC and the City of Orlando. The ceremony was held at the Gardenia Innovation & Operations Center. The pledge was signed by the Cities of Orlando and St. Cloud, Orange County Government, UCF Downtown, Orlando City and Orlando Pride professional soccer teams, the boat manufacture Correct Craft, and OUC. He reiterated OUC is committed to increase its solar energy portfolio through greater investment in this renewable technology.

Mr. Bullock stated that OUC continues to monitor the federal bills that are being debated, including the recently passed Infrastructure Investment and Jobs Act. He stated that an overview regarding the specific impacts to OUC will be provided to the Board in December. OUC is studying the impacts and hiring a consultant who will help us understand all OUC relevant aspects of the bill, as well as identify grant opportunities.

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Commissioner Mills thanked the community and customers for participating in the meeting. He commended the Pricing Workshop Presentation's focus on the stability, predictability, fairness and equity, fairness and conservation, stating the importance for OUC to stay focused on those areas. He was glad to see OUC's top PROUD volunteers' involvement with scouting and the commitment to giving back to the next generation. Commissioner Mills was also happy to see the solar and energy storage connection and believes education may address some of the concerns the public expressed, along with a good net metering and solar energy storage plan which OUC has already developed. He believes the public's comments are due to an education issue. He praised the 2030 Solar Pledge and partnerships.

Commissioner Lee stated he appreciates the Veteran's Day celebration. He echoed Commissioner Mills' comments regarding OUC's top PROUD volunteers. He stated the solar update was very insightful and that OUC is in the middle of a process that triggered a wide array of public testimony. He expressed appreciation to those who took the time to provide their testimony. He stated he would like to let the process take its course and looks forward to a future briefing before making any decisions.

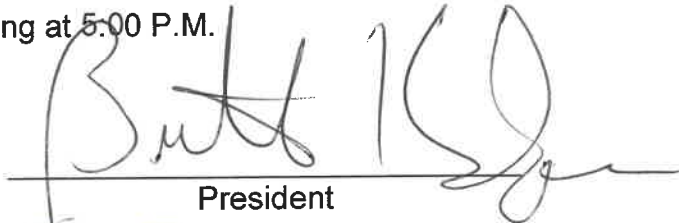
Commissioner Calvet had no comments.

Mayor Dyer thanked Ms. Thompson for her update on Veteran's Day and the Veteran's Day parade. He thanked the public for their participation and passion toward the solar energy industry in Central Florida. He stated that he is extremely cognizant of rolling out clean energy jobs and will not do something that would be detrimental to the industry. He reiterated that all comments received will be taken into consideration.


President Gross thanked Jill Rainford for putting so much thought and effort into the moment of reflection.

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President Gross adjourned the meeting at 5:00 P.M.



President



Secretary