

MINUTES
September 10, 2024
2:00 P.M.

Present:

COMMISSIONERS:

Larry Mills, President
Roger Chapin, First Vice President
Britta Gross, Immediate Past President
Buddy Dyer, Mayor

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

The September 10, 2024 Commission Meeting was held in person at the Orlando Utilities Commission's Reliable Plaza Commission Chambers.

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

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Moment of Reflection

President Mills asked Kevin Noonan to provide the moment of reflection.

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Pledge of Allegiance

President Mills asked Alfonso Segura to lead the Pledge of Allegiance to the Flag.

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Call to Order

The Commission Meeting was called to order at 2:08 P.M. President Mills noted Commissioner Landman Gonzalez was not in attendance, acknowledging a quorum was present.

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Consideration of the Minutes

MOTION: On a motion by Mayor Dyer, seconded by Commissioner Chapin, and unanimously carried, the reading of the August 13, 2024 Commission Meeting minutes was waived, and the minutes were approved.

Employee / Community Recognition

Latisha Thompson provided opening remarks and introductions for Amy Zubaly, Florida Municipal Electric Association’s (FMEA) Executive Director and Nicole Albers, FMEA’s Public Affairs and Strategic Communications Director, who were in attendance to recognize two OUC employees. They presented FMEA’s Member of the Year Award to James Alexander for his exemplary service and dedication to FMEA and the Florida Public Power community. They also recognized Clint Bullock for being elected FMEA’s new President.

Ms. Thompson continued with an overview of OUC’s Emerging Talent Internship Program. She stated the summer program concluded in August and the fall program recently launched, and also detailed the key elements of the program. President Mills applauded the program, highlighting some of its benefits. Refer to the Appendix for more information and video.

Jenise Osani presented the 2023-2024 Employee Volunteering Wrap-Up, which consisted of four quarterly events, including Blessings in a Backpack, packing more than 800 bags filled with healthy items to combat food insecurity at A.C.E. Charter School located in OUC’s Empowerment Zone; Beautify Eagle Nest Park, collecting over 300 lbs of trash; assembling 20,000 meals and 1,000 hygiene kits for US Hunger and Operation New Hope; and installing smoke alarms throughout the Starlight Ranch Community in unison with the American Red Cross. Refer to the Appendix for the video.

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Affirmative Items

Mr. Bullock asked Wade Gillingham to present on Affirmative Items A-2 - Indian River Plant Light Fuel Oil Storage Expansion Project, and A-3 - Osceola Generation Station Emergency Mobile Demineralization Services, regarding Ensuring Reliability with Back-Up Solutions. Mr. Gillingham provided background details on historical notable bulk electric system events and highlights from NERC’s Long-Term Reliability Assessment. He provided details related to OUC Generation’s existing back-up fuel and site capacities, highlighted the importance of the two affirmative items. Commissioner Gross expressed her appreciation to OUC for looking into securing reliable energy sources as OUC continues to transition its energy sources to incorporate additional renewable sources. Refer to the Appendix for more information.

President Mills presented the affirmative items for Approval.

MOTION: On a motion by Commissioner Chapin and seconded by Mayor Dyer, Affirmative Items A-1 through A-27 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in May 2024 in the aggregate amount of \$11,351,230.70 as follows:

NATURAL GAS PURCHASES:

May 2024	Clarke-Mobil Counties	\$ 240,250.00
May 2024	ConocoPhillips	\$ 514,450.68
May 2024	ECO Energy	\$ 829,880.65
May 2024	EDF Trading	\$1,384,915.69
May 2024	Municipal Gas Authority of Georgia	\$2,225,464.98
May 2024	Pathpoint Energy	\$ 956,059.42
May 2024	Tenaska Marketing Ventures	\$ 602,911.67
May 2024	Texla Energy Management	\$1,268,300.97

COAL PURCHASES:

May 2024	Crimson Coal Corporation	\$3,328,996.64
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Commission Meeting

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2. Approval of Change Request No. 5 to the Capital Expenditure in the amount of \$5,376,000, for equipment and general construction services necessary for the Indian River Plant Light Fuel Oil Storage Expansion Project, increasing the total project cost to \$7,500,000. Approval of RFP #7459 – Contract award to Fisher Tank Company, the lowest, most responsive, and responsible proposal to furnish and construct a new fuel oil storage tank in the amount of \$2,181,240. Approval of RFP #7827 – Contract award to Southeastern Construction and Maintenance, Inc., the lowest, most responsive, and responsible proposals to provide general construction services in the amount of \$2,888,760;
3. Approval of RFP #7051 – Contract award to EWT Holdings III Corp. d/b/a Evoqua Water Technologies LLC and MPW Industrial Water Services, Inc. d/b/a MPW Industrial Water, the most responsive and responsible proposals to provide emergency mobile demineralization services in the aggregate amount of \$479,456;
4. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Auxiliary Boiler Replacement Project in the amount of \$3,150,000. Approval of RFP #7823 – Contract award to Wood Group USA, Inc., the only supplier to submit a proposal to provide equipment and installation services for the Stanton Energy Center in the amount of \$3,000,000;
5. Approval of a Purchase Order to Wood Group USA, Inc. to provide labor and equipment to perform inspection and repair services for the Stanton Energy Center Unit 1 steam generator and emergent work for the Stanton Energy Center Combined Cycle Unit B, if necessary, during the 2024 Fall Outage in the amount of \$2,563,718. Approval of a Purchase Order to AirTek Construction, Inc. to provide labor and equipment to perform inspection and repair services for the Stanton Energy Center Unit 1 Electrostatic Precipitator during the 2024 Fall Outage in the amount of \$580,935.60;
6. Approval of RFQ #7904 – Contract award to Florida Transformer, LLC dba Emerald Transformer, the lowest, most responsive, and responsible quote to provide repair services in the amount of \$179,469;
7. Approval of a sole source Purchase Order to Environmental Equipment Services, LLC for materials and labor to restore two pressure sustaining valves at Lockheed Martin Pump Station No. 2 in the amount of \$134,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to C&C Contracting, Inc. in the amount of \$32,606 for insulation services, increasing the total Purchase Order amount to \$122,606;
8. Approval of a Capital Expenditure Estimate for installation of underground electric distribution facilities to serve Universal Electric Bus Charging Depot in the amount of \$1,091,249.44, with a customer contribution in the amount of \$850,245;
9. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$284,780.01 for additional construction costs for the Millenia Park Apartments, increasing the total project cost to \$826,676.67, with a total customer contribution in the amount of \$175,165;
10. Approval of the Capital Expenditure Estimate for the TripSaver Smart Grid Project on Substation No. 11 located in the Orlando service territory in the amount of \$614,109.86;
11. Approval of sole source Purchase Orders to Elster Solutions, LLC to provide annual maintenance and support services for the Connexo NetSense Head End System and FieldSense suite in the aggregate amount of \$2,138,135;
12. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Central Florida Underground, Inc. and The Fishel Company in the aggregate amount of \$30,719,375 to continue providing installation, removal, and repair services for underground conduit and manhole systems, increasing the total Purchase Orders in the aggregate amount of \$58,960,815;

13. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$4,900,250 for the procurement of necessary equipment for the St. Cloud North Substation Transformer Unit Addition Project, increasing the total project cost to \$5,000,000. Approval of a Purchase Order to AIS Holding Company, LLC d/b/a Central Electric Manufacturing Company LLC, Avail Switchgear Systems for one metal clad switchgear in the amount of \$1,450,000. Approval of a Purchase Order to Controllix Corporation for one metal enclosed capacitor bank in the amount of \$240,000. Approval of a Purchase Order to Meiden America Switchgear, Inc. for one 69kV circuit breaker in the amount of \$135,000. Approval of a Purchase Order to Prolec-GE Waukesha, Inc. for one substation transformer in the amount of \$1,850,000;
14. Approval of a sole source Purchase Order to Doble Engineering Company to provide substation test equipment and support services in the amount of \$210,092;
15. Approval of a sole source Purchase Order to Super iPaaS Integration LLC for webMethods Enterprise Service Bus software licenses, maintenance, and support in the amount of \$656,479.08;
16. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Leonardo Da Vinci Inc. dba Quanam in the amount of \$456,372 to continue providing Data and Analytics Professional Services, increasing the total Purchase Order amount to \$655,752;
17. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Leonardo Da Vinci, Inc. dba Quanam in the amount of \$112,472 for implementation services, increasing the total Purchase Order amount to \$190,019;
18. Approval of an OUC initiated scope change and conforming Change Order No. 3 to LeanIX, Inc in the amount of \$82,635.51 for Enterprise Architecture management subscription of 200 applications modules, increasing the total Purchase Order amount to \$279,573.37;
19. Approval of a Purchase Order to the pre-qualified supplier for cybersecurity equipment, and support, professional services, subscription, and maintenance and support in the amount of \$321,229;
20. Approval of RFP #4846 – Contract award to Ironrock Commercial Construction, LLC, the lowest, most responsive, and responsible proposal for the design, permitting, and construction services of the sanitary sewer extension in the amount of \$228,089;
21. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Waste Connections of Florida Inc. in the amount of \$728,303 to continue providing solid waste and single-stream recycling services, increasing the total Purchase Order amount to \$1,313,303;
22. Approval of a sole source Purchase Order to Orlando Events Center Enterprises, LLC for a Sustainability and Customer Education Sponsorship with the Orlando Magic in the amount of \$390,200, including the potential for post season appearance costs of up to \$165,800 should the Orlando Magic reach all rounds of the playoffs including the finals, for a total Purchase Order amount of \$556,000;
23. Approval of an OUC initiated scope change and conforming Change Order No. 1 to KUBRA Arizona, Inc. in the amount of \$674,150 to provide proactive alerts, outage map services, and maintenance support, increasing the total Purchase Order amount to \$1,877,650;
24. Approval of an OUC initiated scope change and confirming Change Order No. 1 to Bidgely, Inc. in the amount of \$353,200 to continue providing behavioral education program tools and postage, increasing the total Purchase Order amount to \$1,840,548;

25. Approval of Purchase Orders to Southeastern Surveying & Mapping Corporation; WSP USA, Inc.; and Pickett and Associates, LLC to provide surveying and consulting services for Environmental – Corporate in the amount of \$250,000 and for Environmental – Generation in the amount of \$800,000, for a total aggregate amount of \$1,050,000;
26. Approval of a Purchase Order to GrayRobinson, PA to provide continuing legal services such as litigation matters, condemnation actions, and Other Post-Employment Benefit and Pension Plan updates in the amount of \$300,000. Approval of a Purchase Order to O'Connor, Haftel & Angell, PLLC to provide continuing legal services such as personal injury litigation in the amount of \$600,000; and
27. Authorization for the General Manager & CEO to execute a potable water, reclaim water, and sanitary sewer easement to Tohopekaliga Water Authority on the St. Cloud Operations and Maintenance Facility property, to be located west of Hickory Tree Road and south of East Irlo Bronson Memorial Highway (US 192), subject to final legal review.

Presentation

Commissioner Chapin provided the September 10, 2024 Special Audit-Finance Committee report.

The Committee reviewed proposed regulatory actions in preparation for the close of the Fiscal Year on September 30, 2024, including the deferral of amounts in excess of the revenue requirement to support the approved Fiscal Year 2025 Budget, bolster storm restoration reserves, and advance grid hardening and energy resiliency initiatives; the deferral of the write-down of residual costs associated with the retirement of the Navy Water Treatment Plant; and the deferral of the fair market valuation of the interest rate swap underlying the Series 2015B Variable Rate Demand Obligation Bonds. The Audit-Finance Committee recommends the following proposed Regulatory Actions:

- PRES-1a The Committee recommends Board approval of the deferral of up to \$5.5 million of non-fuel electric revenues to be utilized to meet the Income Before Contributions amount and annual revenue requirement in the Board approved FY 2025 Operating Budget, and the deferral of up to \$9.5 million of non-fuel electric revenues to the electric base rate reserve fund to be utilized to bolster storm restoration reserves, advance grid hardening and energy resiliency initiatives, and to fund other operational and strategic initiatives.
- PRES-1b The Committee recommends Board approval of the deferral of the write-down of the estimated residual net book value of the Navy Water Treatment Plant in the amount of up to \$4.3 million to be recognized within a four-year period through the rate-making process.
- PRES-1c The Committee recommends Board approval of the continued deferral of the fair market value of the interest rate swap underlying the Series 2015B Variable Rate Demand Obligation Bonds over the life of the bonds, even if deemed to be ineffective per accounting guidance, consistent with the rate-making model.

The Committee also reviewed the upcoming Series 2024A & 2024B Bond transactions, including the affirmation of OUC's "AA" rating from both S&P & Fitch in conjunction with these transactions.

Motion: On a motion by Commissioner Gross and seconded by Mayor Dyer, Presentations 1a, 1b, and 1c were adopted as follows:



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- PRES-1a Approval to defer up to \$5.5 million in non-fuel electric revenues to be utilized to meet the Board approved Income Before Contributions amount and annual revenue requirement in the Fiscal Year 2025 Operating Budget; and to defer up to \$9.5 million of non-fuel electric revenues to the electric base rate reserve fund to be utilized to bolster storm restoration reserves, advance grid hardening and energy resiliency initiatives, and to fund other operational and strategic initiatives;
- PRES-1b Approval to defer up to \$4.3 million of the write-down of the estimated residual net book value of the Navy Water Treatment Plant assets to be recognized within a four-year period; and
- PRES-1c Approval of the continued deferral of the fair market value of the interest rate swap underlying the Series 2015B Variable Rate Demand Obligation Bonds over the life of the bonds, even if deemed to be ineffective per accounting guidance, consistent with the rate-making model.

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Chris McCullion presented the August 2024 Financial Report. Refer to the appendix for more information.

General Manager's Comments

Mr. Bullock provided an update on OUC's PeakSHIFT proposal, stating an additional update will be provided at the November Commission Meeting. He explained OUC is continuing conversations and working with its stakeholders, receiving feedback and answering questions. He specified that the OUC PeakSHIFT website continues to be updated, most recently with an infographic showing how electricity is generated and delivered to homes, peak demand impact on resources as well as impacts on the customer's bills, and how electric usage outside of peak times can save customers money on their monthly bills. Mr. Bullock shared two new videos located within the PeakSHIFT website, which explain how PeakSHIFT is integral to achieving OUC's goal of net zero carbon emissions by 2050 and how the new pricing structure is designed to be revenue neutral, keeping customer bills affordable. Commissioner Gross inquired if the program has an opt-out option. Mr. Bullock confirmed that there is an option to opt-out. Refer to the Appendix for the videos.

Commissioners' Comments


Mayor Dyer had no comments.

Commissioner Chapin had no comments.


Commissioner Gross expressed how terrific the Commission Meeting was, highlighting the Emerging Talent Internship Program. She congratulated Mr. Alexander and Mr. Bullock for being recognized by FMEA and complimented OUC's staff for their diligence in providing relevant details on the Affirmative Items presented to the Board for approval each month.

President Mills agreed with Commissioner Gross and expressed his appreciation for how efficiently the meeting was run, even though there were powerful items that were covered, such as the community recognitions and PeakSHIFT updates.

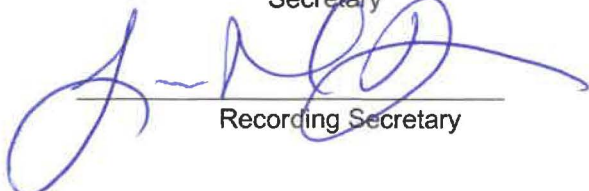
President Mills adjourned the meeting at 3:08 P.M.



President



Secretary



Recording Secretary

APPENDIX

Community Recognition

2024 Emerging Talent Internship Program Recap – [Video](#)

2024 OUC Volunteer Wrap-Up – [Video](#)

Affirmative Item

A-2 & A-3 Ensuring Reliability with Back-Up Solutions

Presentation

Financial Report

General Manager Comments

PeakSHIFT

[Video](#)

[Video](#)

Community Recognition

2024 Emerging Talent Internship Program Recap

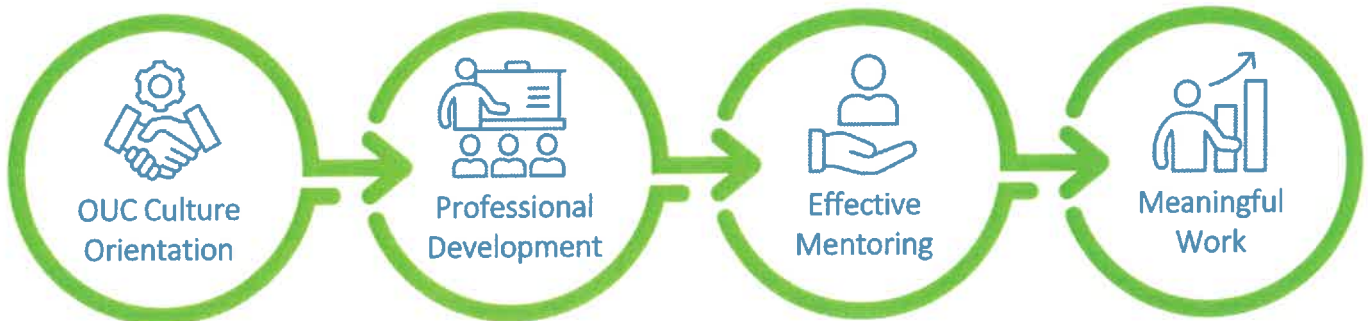
Emerging Talent Internship Program



Latisha Thompson, Chief Employee Experience

09/10/24

Emerging Talent Internship Program



2024 Summer Internship Program at a Glance

1,889

Applicants



35% increase from last year's program



35 interns completed the program

65%

Ethnic & Cultural Diversity



57%



37%



6%

UF

USF



UCF



ASU

3.55

Average GPA

Transformation and Innovation Focused Projects

63%



Process Improvement

31%



Data Analytics & Metrics

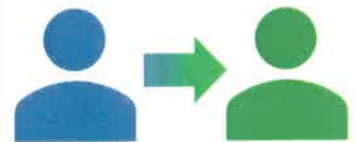
6%



New & Emerging Technologies

36%

2024 Intern to Full-time Employee Conversion Rate

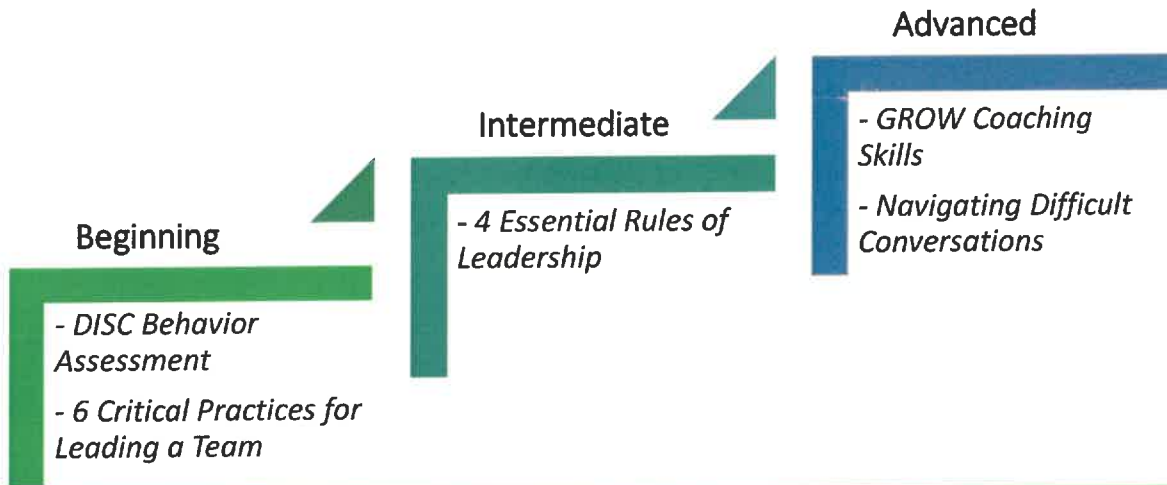


Intern

FTE

Elevating Leadership Development Capabilities

Mentor Training Program



2024 Emerging Talent Internship Program Video

**POWERING
CAREERS.**

**DRIVING
INNOVATION.**

Affirmative Item

A-2 & A-3 Ensuring Reliability with Back-Up Solutions

Ensuring Reliability with Back-Up Solutions
Indian River Plant Light Fuel Oil Storage Expansion Project &
Osceola Generating Station Emergency Mobile Demineralization Service

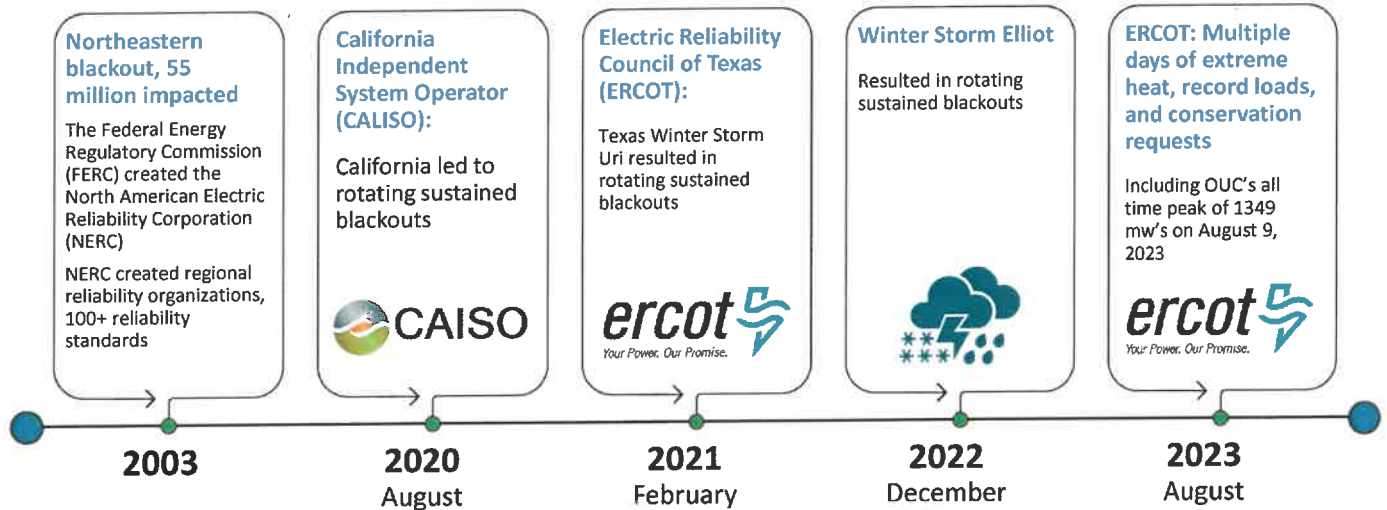


Wade Gillingham, Vice President
of Electric & Water Production

A-2 & A-3

09/10/24

Background - Notable Bulk Electric System Events



NERC Long-Term Reliability Assessment (LTRA) Highlights

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

Additional NERC LTRA Highlights

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

4

Power Production Existing Back-up Fuel

- OUC's Indian River Plant (IRP) has four Gas Turbines (GTs) that have backup fuel oil capability.
- The existing backup fuel tank only gives GTs about 4.5 hours of continuous run time.
- IRP is home to two Black Start GTs.
- SEC Unit 1 retirement necessitates additional fuel oil storage needs at IRP.
- SEC Unit 2 conversion reduces fuel storage hedge by 30 -45 days of solid fuel on hand.
- There will be no backup fuel for SEC Unit 2 after full natural gas conversion.



IRP GT's and current fuel oil tank

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OUC Existing Fuel Oil Tank Capacities By Site

	CCA	CCB	OGS	Current IRP	Proposed IRP Tank
Fuel Oil Total Volume (gallons)	1,860,000	956,500	3,000,000	150,000	930,000
Fuel Oil Usable Volume (gallons)	1,750,000	804,101	2,691,440	132,500	837,000
Demin Water Total Volume (gallons)	1,600,000	656,000	1,151,536	650,000	650,000
Demin Water Usable Volume (gallons)	1,520,000	614,742	1,072,368	585,000	585,000
Run time hours at 100% MCR	64 hrs	60 hrs	40 hrs	4.5 hrs	32 hrs

IRP Fuel Tank Proposed Project Schedule

- September 2024
 - Commission approval
- January–April 2025
 - Demo existing day fuel tank
 - Sub structure and ground prep for new fuel tank
- April-August 2025
 - New fuel tank construction/commissioning
 - Fuel tank auxiliary construction/commissioning



Recommended Action

- Commission approval of Change Request No. 5 to the Capital Expenditure in the amount of \$5,376,000, for equipment and general construction services necessary for the Indian River Plant Light Fuel Oil Storage Expansion Project, increasing the total project cost to \$7,500,000.
- Commission approval of a Purchase Order to Fisher Tank Company to furnish and construct a new fuel oil storage tank in the amount of \$2,181,240.
- Commission approval of a Purchase Order to Southeastern Construction and Maintenance, Inc. to provide general construction services in the amount of \$2,888,760.

OGS Mobile Demin Capabilities

- OGS site was set up to use temporary mobile demineralization trailers.
- Ion exchange vessels that produce demineralization water are stored on trailers connected to OGS site at the station (shown at the right).
- Establishing contracts to produce 5,000,000 gallons of demineralization water to increase run time on #2 fuel oil.



Recommended Action

- Commission approval of Purchase Orders to EWT Holdings III Corp. d/b/a Evoqua Water Technologies LLC and MPW Industrial Water Services, Inc. d/b/a MPW Industrial Water to provide emergency mobile demineralization services in the aggregate amount of \$479,456.

Presentation

Financial Report.

Financial Report

\$ in millions	August 2024			
	Actual	Budget	\$ Δ	% Δ
Retail and Wholesale Electric Revenues	\$ 517.4	\$ 500.6	\$ 16.8	3.4%
Water, Chilled Water and Other Revenues	174.7	173.5	1.2	0.7%
Total Revenues, excluding Fuel Revenues	\$ 692.1	\$ 674.1	\$ 18.0	2.7%

Overview

- Total Revenues, excluding Fuel Revenues were \$18.0 million or 2.7% higher than Budget
 - Retail electric revenues were favorable to budget driven by increased electric vehicle penetration and warmer than normal weather in late spring.
 - Water revenues, including the impact of increasing designated reserves, were slightly favorable to budget due lower than normal rainfall in late spring.