



Commission Meeting
MINUTES
April 11, 2023
2:03 PM

4/11/23 16

Present:

COMMISSIONERS:

Britta Gross, President
Larry Mills, First Vice President
Roger Chapin, Second Vice President
Cesar E. Calvet, Commissioner
Buddy Dyer, Mayor

Clint Bullock, General Manager & Chief Executive Officer
Attila Miszti, 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
LeMoyne Adams, Luz Aviles, Wade Gillingham, Jenise Osani, & Ken Zambito, Vice Presidents
Frances Johnson, Recording Secretary

The April 11, 2023 Commission Meeting was held in person.

* * *

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

Moment of Reflection

President Gross asked Daniel Rucci to provide the moment of reflection.

Pledge of Allegiance

President Gross asked Robert Fellingham, Jr. to lead the Pledge of Allegiance to the Flag.

Call to Order

The Commission Meeting was called to order at 2:03 P.M.

Consideration of the Minutes

MOTION: On a motion by Commissioner Calvet; seconded by Mayor Dyer and unanimously carried, the reading of the March 7, 2023 Commission Meeting minutes was waived and the minutes were approved.



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Commission Meeting

4/11/23 17

Community Recognition

LeMoyne Adams recognized the 2023 FMEA Lineman Competition participants for their hard work and achievements at the OUC-hosted event. He announced Zac Rochester, Line Tech II, claimed first place of the opening mixed-competitor Mutual Aid event; Austin Nettles, also a Line Tech II, placed second; and Elijah Venn, Line Tech III, placed third. He continued by announcing Evan Englert, Line Tech II placed first place in the Hurtman rescue and second place on the written test; and Chase Englert (no relation), also a Line Tech II placed first place on the written test. Lastly, Garrett Accomando placed first place in the H Frame Crossover event. Mr. Adams recognized Richard Boley, Lead Line Technician, and Team Lead for the seventh year for an outstanding job training the team for the lineman competition.

President Gross read the Water Proclamation into the record. Refer to the Appendix for the signed Proclamation.

Affirmative Items

President Gross presented the Affirmative Items for approval.

MOTION: On a motion by Commissioner Calvet and seconded by Commissioner Mills, Affirmative Items A-1 through A-16 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in October and December 2022 in the aggregate amount of \$31,744,614.93.as follows:

NATURAL GAS PURCHASES ⁽¹⁾:

December 2022	Clarke-Mobile Counties	\$ 1,075,700.00
December 2022	ConocoPhillips	\$ 667,793.40
December 2022	EDF Trading	\$ 3,283,409.59
December 2022	Florida Gas Utility	\$ 707,725.89
December 2022	Gas South	\$ 1,688,797.98
December 2022	Macquarie Energy	\$ 1,034,457.08
December 2022	Municipal Gas Authority of Georgia	\$ 2,352,900.00
December 2022	Southwest Energy	\$ 358,559.80
December 2022	Tenaska Marketing Ventures	\$ 9,067,723.91
December 2022	Texla Energy Management	\$ 4,734,460.36

COAL PURCHASES:

December 2022	Crimson Coal Corporation	\$4,836,536.28
December 2022	Foresight Coal Sales, LLC	\$1,936,550.64

2. Approval of a Purchase Order to CDW Government LLC to provide hardware, licensing, and support in the amount of \$271,000;
3. Approval of the Capital Expenditure Estimates for Phase 2 of the South Kirkman Road Extension Project required for the relocation of electric overhead facilities to a new underground manhole duct-line system along South Kirkman Road in the aggregate amount of \$13,336,664.30;
4. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$340,080 for additional engineering and administration services necessary for the final design of the Airport Substation to Narcoossee Road Project, increasing the total project cost to \$8,366,412.49. Approval of an OUC initiated scope change and conforming Change Order No. 2 to GAI Consultants, Inc. in



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Commission Meeting

4/11/23 18

the amount of \$312,000 to provide final engineering design, permitting services, and construction plans, increasing the total Purchase Order amount to \$763,400;

5. Authorization for the General Manager & CEO to execute the Joint Participation Agreement Task Order No. 2 with the City of Orlando for additional engineering design services for the City's portion of the Summerlin Avenue Water Main Replacement Project. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$577,396.47 for final design and administration services necessary for the Summerlin Avenue Water Main Replacement Project, increasing the total project cost to \$1,925,715.61. Approval of an OUC initiated scope change and conforming Change Order No. 2 to CPH, Inc. in the amount of \$495,581.36 to provide final engineering design services, increasing the total Purchase Order amount to \$1,747,233.61;
6. Authorization for the General Manager & CEO to execute the Utility Work by Highway Contractor Agreement with the Florida Department of Transportation for the Colonial Drive Roadway Improvements Project. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$3,282,916.57 for final engineering, construction, administration, and inspection costs necessary to complete the Colonial Drive Roadway Improvements Project, increasing the total project cost to \$3,397,391.57. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Woolpert, Inc in the amount of \$263,023 to provide professional engineering services, increasing the total Purchase Order amount to \$358,023. Approval of a Purchase Order to the Florida Department of Transportation for reimbursement of construction costs in the amount of \$2,275,000;
7. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$1,180,000 for detailed design, material, and construction for the Bennett Substation Underground Cable and Terminator Replacement Project, increasing the total project cost to \$1,630,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Black & Veatch Corp. in the amount of \$200,000 to provide for detailed engineering services and construction oversight, increasing the total Purchase Order amount to \$275,000. Approval of RFP #5142 – Contract award to Marmon Utility LLC, the most responsive and responsible supplier, to provide cable, terminators, and installation services in the amount of \$765,000;
8. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Siemens Industry, Inc. in the amount of \$648,900 to continue providing Spectrum Power TG Software licenses and support services required for the Energy Management System, increasing the total Purchase Order amount to \$1,230,000;
9. Approval of Change Request No. 3 to the Capital Expenditure Estimate in the amount of \$2,170,000 for additional engineering and construction services necessary to complete the Convention Center Transformer Unit Additions Project, increasing the total project cost to \$18,438,250. Approval of additional funding in the amount of \$170,000 with conforming Change Order No. 3 to Black & Veatch Corp to provide design engineering and construction management services, increasing the total Purchase Order amount to \$2,215,000;
10. Approval of RFQ #5244 – Contract award to Presidio Networked Solutions, LLC, the only responsive and responsible supplier, for professional services and virtual load balancers subscription in the amount of \$540,313.76;
11. Approval of a sole source Purchase Order to Oracle America, Inc. for the Java software subscription in the amount of \$1,008,000;

12. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Microsoft Corp to renew Microsoft Unified Enterprise Support Services in the amount of \$71,722.45, increasing the total Purchase Order amount to \$123,568.15;
13. Approval of RFP #5256e- Contract award to Anson-Stoner, Inc.; Appleton Creative, Inc.; PUSH Inc; Foresight Design Group, Inc. dba Prismatic; and Think Integrated LLC formerly Think Creative Inc., the most responsive and responsible proposals, for marketing and advertising services in the aggregate amount of \$807,966; and to Costa Communications Group aka WORDWISE, Inc.; Diane Meiller and Associates, Incorporated; Michael Boslet, Inc; and Beluga Communications, Inc. dba Power Communications, the most responsive and responsible proposals, for communications services in the aggregate amount of \$833,575; and to Costa Communications Group aka WORDWISE, Inc.; Michael Boslet, Inc; Beluga Communications, Inc. dba Power Communications; and Evok Advertising and Design, Inc., the most responsive and responsible proposals, for strategic public relations and stakeholder engagement consulting services in the aggregate amount of \$492,600; and to BOLD Digital Marketing, LLC; and Suá Advertising Inc., the most responsive and responsible proposals, for multicultural professional services in the aggregate amount of \$211,860;
14. Authorization for the General Manager & CEO to execute the Release of Easement for property located north of West Grant Street and west of Lucerne Terrace;
15. Authorization for the General Manager & CEO to sell easement rights and grant an easement to Duke Energy Florida, LLC, located within the OUC electric transmission property along the OUC to Lakeland Transmission Line south of Interstate 4 in Polk County, subject to final legal review; and
16. Authorization for the General Manager & CEO to sell easement rights and grant two new easements to Duke Energy Florida, LLC, located within the OUC Railroad property at two intersecting locations of Wewahootee Road, subject to final legal review.

Presentation

Mindy Brenay presented the preliminary Financial Report. Refer to the Appendix for more information.

Public Comments

Michael Cohen, an OUC customer, expressed that OUC should consider the use of rooftop solar.

General Manager's Comments

Kevin Noonan gave a brief State legislative update related to House Bill (HB) 1331 and Senate Bill (SB) 1380 relating to Municipal Utilities.

He explained a Florida House panel recently approved HB 1331, a proposed legislation that restricts how much money can be transferred from municipal utilities, including water, wastewater, and gas utilities, into city general funds. The bill would modify provisions relating to permissible rates, fees, and charges on customers located outside municipal boundaries, and transfers would be limited to an agreed upon return on equity. He explained this bill has one more committee stop before it could potentially be heard by the full House of Representatives.

Mr. Noonan also gave a brief update about SB 1380, the Senate companion bill to House Bill 1331. A proposed amendment would make the Senate bill similar to the House bill, dropping the Public



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Commission Meeting

4/11/23 20

Service Commission oversight, and only including the restrictions on general fund transfers and rates for outside city customers. Unlike HB 1331, the Senate bill has not been heard in any of its three committees and neither bill will be heard in committee this week, which makes it tougher for these bills to make it across the legislative finish line. However, there are potential impacts in future years if passed.

He shared OUC's commitment to affordable rates as part of our Strategic Plan, explaining OUC's prices are the same for customers inside or outside city limits; however, water rates are ten percent higher for customers outside city limits. He stated OUC electric rates are the same as the state average.

He concluded by mentioning he is also monitoring HB 1645 related to the City of Gainesville and Alachua County, a local bill that would create a utility authority with members selected by the Governor to make all business decisions for the utility rather than the Gainesville City Council. Commissioner Calvet asked if Gainesville Regional Utilities' rates are the highest rates in Florida. Mr. Noonan clarified their rates currently are the second highest behind Duke Energy.

* * *

Wade Gillingham discussed Winter Storm Elliot's impact on the Power Grid. President Gross inquired if submitting cold weather plans to SERC is a new requirement and Mr. Gillingham confirmed it is a new requirement resulting from Winter Storm Uri. Refer to the Appendix for more information.

Commissioners' Comments

Commissioner Calvet congratulated the linemen on their achievements and expressed he looks forward to next update on HB 1331 and SB 1380.

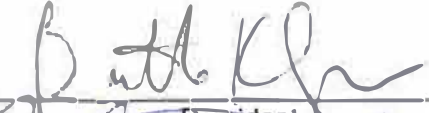
Commissioner Mills thanked Mr. Cohen for his comments on rooftop solar. He thanked Mr. Noonan for providing input on the legislative Bills as he is following them in the newspaper. He also congratulated the linemen on their achievements.

Commissioner Chapin expressed appreciation for a swift meeting and congratulated the linemen for their winnings.

Mayor Dyer congratulated the linemen on their winnings and echoed Commissioner Chapin's appreciation of an expeditious meeting.

President Gross congratulated the linemen on their achievements and expressed pride for the entire team. She expressed excitement during the powerful Mutual Aid event. She concluded by thanking the linemen for studying for the written exams

President Gross adjourned the meeting at 2:45 P.M.



President


Secretary


Recording Secretary

APPENDIX

Community Recognition

Water Proclamation

Presentation

PRES-1 Preliminary Financial Report.

General Manager Comments

Winter Storm Elliot Impacts on Power Grid

Community Recognition
Water Proclamation



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Proclamation

April is Water Conservation Month

Whereas, clean, safe and sustainable water resources and supplies are vital to the City of Orlando and Orange County economy, the environment and our citizens; and

Whereas, the State of Florida, its Water Management Districts and the Orlando Utilities Commission are working together to increase awareness about the importance of water conservation; and

Whereas, the Orlando Utilities Commission and the State of Florida have designated April, typically a dry month when water demands are most acute, as Water Conservation Month, to educate citizens about saving precious water resources; and

Whereas, the Orlando Utilities Commission continues to provide residential and commercial customers with programs and rebates that support water conservation; and

Whereas, the Orlando Utilities Commission has helped residential and commercial customers save nearly 72 million gallons of water by conducting more than 1,400 free in-home water conservation audits in 2022; and

Whereas, the Orlando Utilities Commission is committed to educating our community and promoting water conservation in order to help Orlando maintain our status as the *Greenest City in the Southeast*;

Whereas, every business, industry, school and citizen can make a difference when it comes to saving water;

Now, therefore, the Orlando Utilities Commission does hereby proclaim the month of April as

Water Conservation Month

in the Orlando Utilities Commission service territory, which includes the City of Orlando and portions of unincorporated Orange County; and urges all residents and business to help protect our precious resources by practicing water saving measures.

In witness whereof, Commission President Britta Gross and General Manager and CEO Clint Bullock.

Dated this 11th day of April, 2023.


Britta Gross
Commission President


Clint Bullock
General Manager & CEO

PRES-1 Preliminary Financial Report.

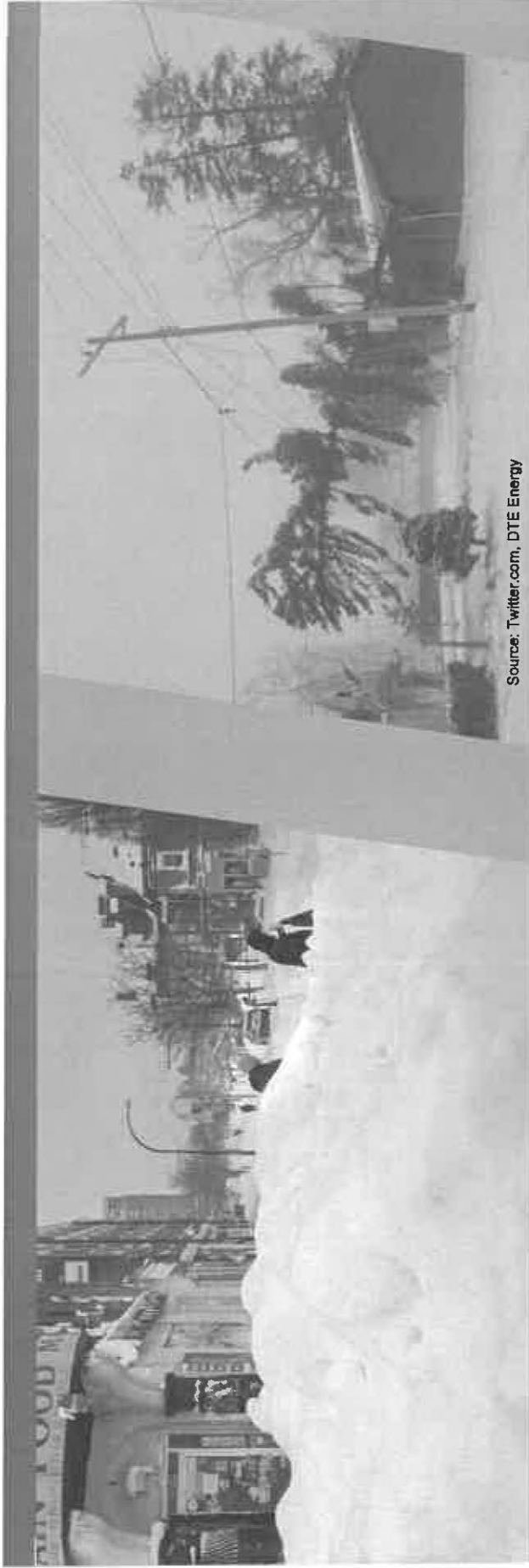
Financial Report

\$ in millions	March 2023			
	Actual	Budget	\$ Δ	% Δ
Retail and Wholesale Electric Revenues	\$ 252.5	\$ 253.4	\$ (0.9)	-0.4%
Water, Chilled Water and Other Revenues	85.9	85.1	0.8	0.9%
Total Revenues, excluding Fuel Revenues	\$ 338.4	\$ 338.5	\$ (0.1)	0.0%

Overview

- Total Revenues, excluding Fuel Revenues were \$0.1 million lower than Budget.
 - Unexpected wholesale revenues of \$7.9 million substantially offset the impact of the retail electric base price reduction approved by the Board in October 2022
 - Deferred revenues of \$25.0 million continue to be available to offset electric retail base revenue shortfalls
 - Stronger than anticipated chilled water revenues as a result of the two new operating districts

General Manager Comments
Winter Storm Elliot Impacts on Power Grid



Source: Twitter.com, DTE Energy

Winter Storm Elliott Impacts on Power Grid

December 21 – 26, 2022

Wade Gillingham

Vice President, Electric & Water Production

Commission Meeting - April 11, 2023

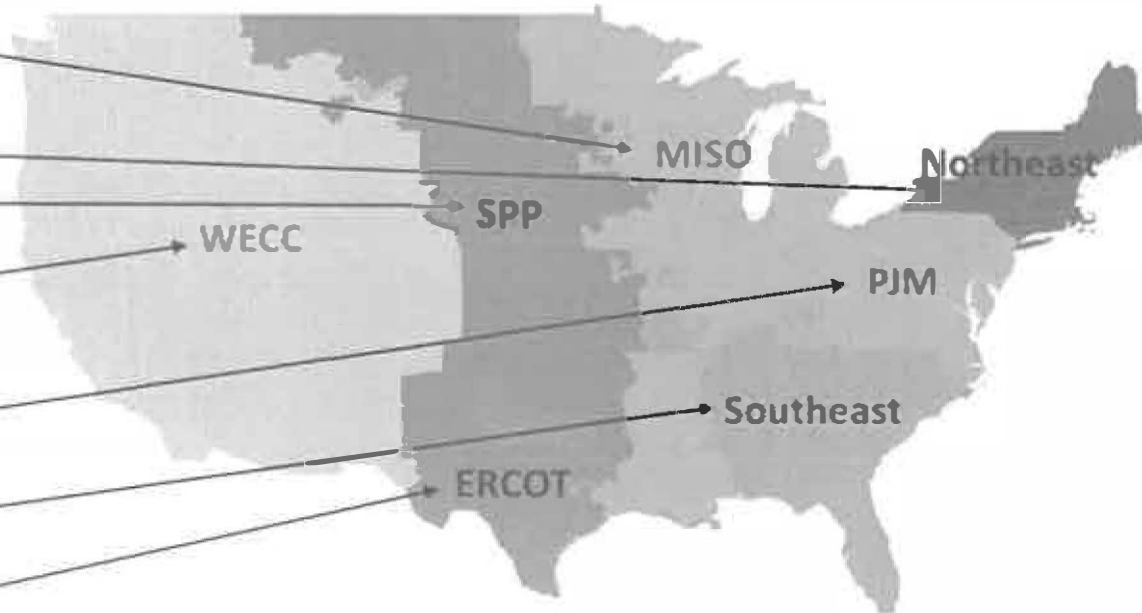


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Background on Prior Weather-Driven Outage Events

Independent System Operators (ISO) Regional Transmission Operators (RTO)

- Mid-Continent Independent System Operator (MISO)
- Northeast Region
- Southwest Power Pool (SPP)
- Western Electricity Coordinating Council (WECC)
- Pennsylvania, New Jersey, and Maryland (PJM)
- Southeast Region
- Electric Reliability Council of Texas (ERCOT)



The role of an ISO and a RTO is to ensure non-discriminatory access to the transmission grid by both customers and suppliers.

California Blackout Event (August 2020)

- Impacted California Independent System Operator (CAISO)
- Rotating and sustained blackouts due to:
 - Regional heatwave
 - Insufficient energy storage capacity
 - Interruptions of wind and fossil generation resources
 - Growth in renewable generation
 - Retirement of traditional generation



Information in this presentation has been obtained from several sources. It is important to note that investigations are still ongoing and information is subject to change.

Winter Storm Uri (February 2021)

- Primarily impacted Electric Reliability Council of Texas (ERCOT)
- Rotating and sustained blackouts due to:
 - Record freezing temperatures
 - Natural gas shortages and price spikes
 - Interruption of generation resources and price spikes
 - Growth in renewable generation
 - Retirement of traditional generation



Information in this presentation has been obtained from several sources. It is important to note that investigations are still ongoing and information is subject to change.

Winter Storm Elliott Analysis

Winter Storm Elliott Overview (December 2022)

- Winter storm conditions throughout much of the United States
- Record-setting electricity demand for many regions in which utilities struggled to meet demand across much of the country
- More than 1.5 million customers were without electricity
- Sixty deaths have been attributed to the storm's effects
- NERC investigation still ongoing

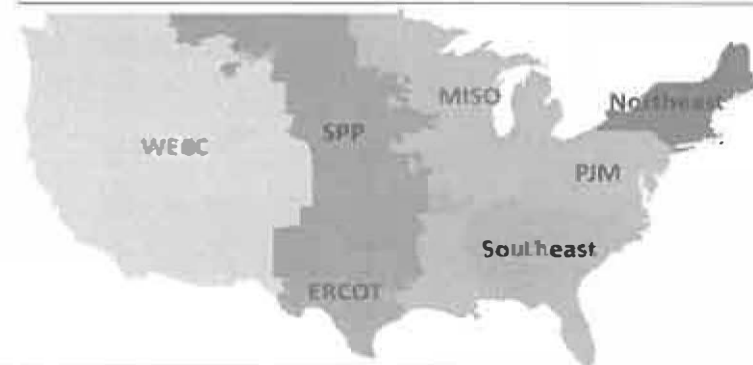
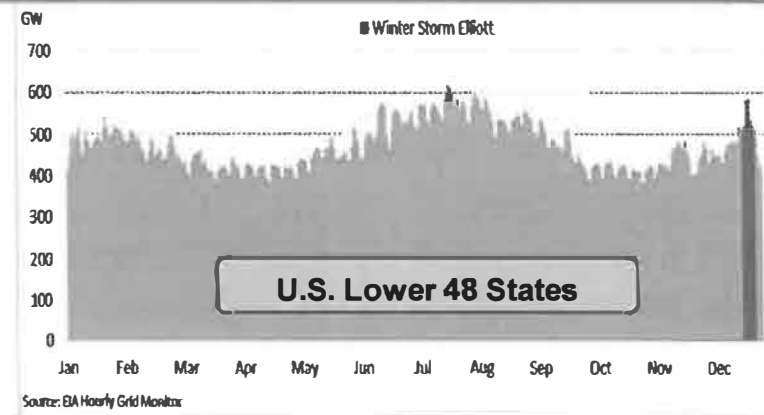


Image Source: Twitter page of New York Gov. Kathy Hochul; via weatherchannel.com

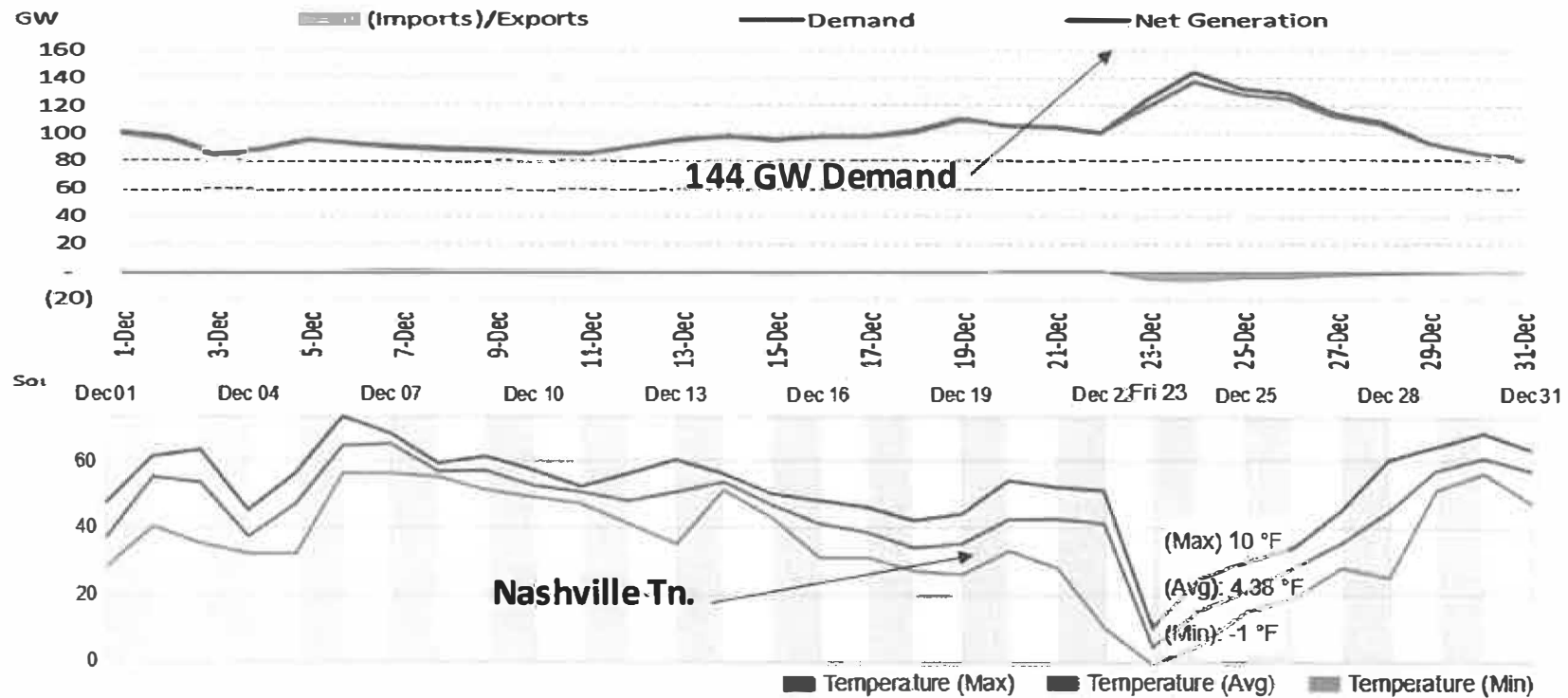
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Record Winter Electric Demand

- December 23 was the highest single-day electricity demand on record for any day during the winter season for the US Lower 48 states
- ERCOT, PJM, MISO, and SPP all set overall winter single-day electricity demand record
- Utilities in the Southeast, including Tennessee Valley Authority (TVA), Duke, and Louisville Gas and Electric/Kentucky Utilities (LG&E/KU), were required to implement rolling power outages



Southeast Region Average Daily Electric Demand



Quotes on Elliott 12/28/2022

- “The effects of Winter Storm Elliott demonstrate yet again that our bulk power system is critical to public safety and health,” **FERC Chairman Rich Glick** said. “The joint inquiry with NERC we are announcing today will allow us to dig deeper into exactly what happened so we can further protect the reliability of the grid.”
- “There will be multiple lessons learned from last week’s polar vortex that will inform future winter preparations. In addition to the load shedding in Tenn. and the Carolinas, multiple energy emergencies were declared and new demand records were set across the continent. And this was in the early weeks of a projected “mild” winter,” **NERC President and CEO Jim Robb** said. “This storm underscores the increasing frequency of significant extreme weather events (The fifth major winter event in the last 11 years) and underscores the need for the electric sector to change its planning scenarios and preparations for extreme events.”

Fossil Fuel Impacts

- Natural gas production in the Appalachian basin dropped by over 25% due to well freeze-offs and other equipment failures
- Natural gas generation was limited in PJM and the Northeast due to the loss of available fuel supply
 - Reduced supply pipeline pressure caused natural gas power plants to shut down
- Fossil fuel generation with on-site fuel inventory of coal or oil partially offset the loss of natural gas generation



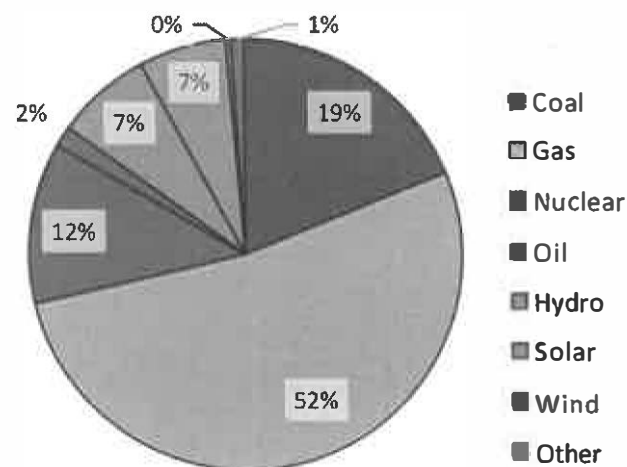
Renewable Impacts

- Wind generation varies widely during winter events
- Solar output is not available during winter morning peaks
- Electricity from dispatchable power plants is needed to balance out the variability of renewable generation



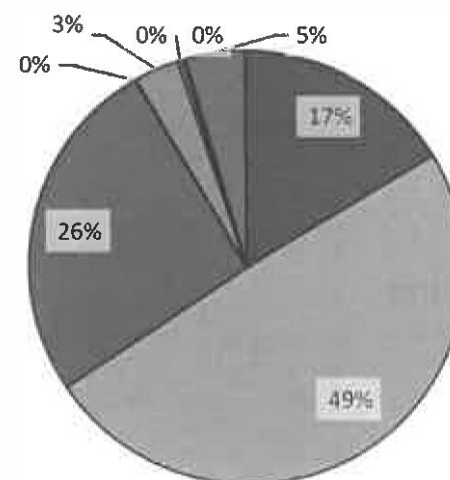
Southeast Reliability Corporation (SERC) Capacity and Energy by Fuel Type

2022 Capacity Mix



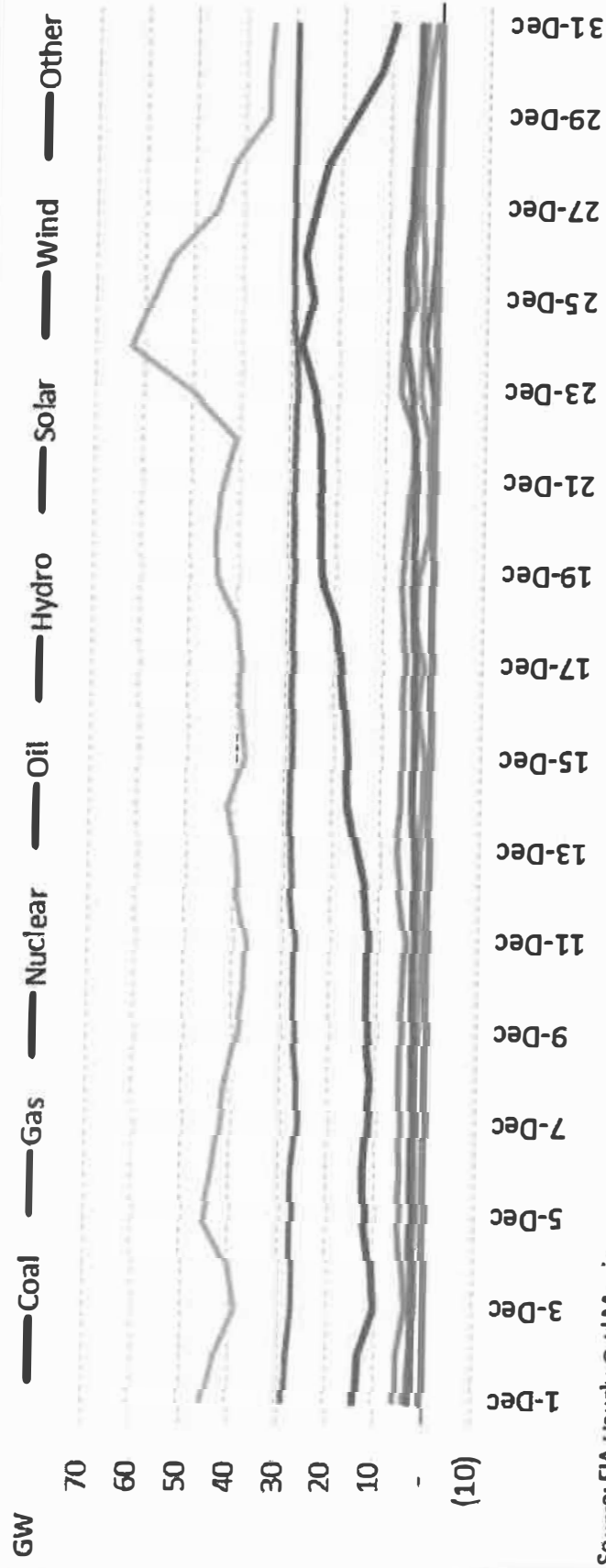
Source: EIA Form 860 data

2022 Energy Mix



Source: EIA Form 923 & Form 930 data

SERC Hourly Generation by Fuel Type



Source: EIA Hourly Grid Monitor

Could These Events Happen in Florida?

Yes – these Events could Happen in Florida

- Florida has similar drivers to the Southeast Region
 - Extreme cold
 - Lack of winterization
 - Lack of fuel diversity
 - Dependency on natural gas
 - High solar penetration
 - Minimal contribution towards meeting winter peak demands (peak before sunrise)
 - Limited transmission import capabilities

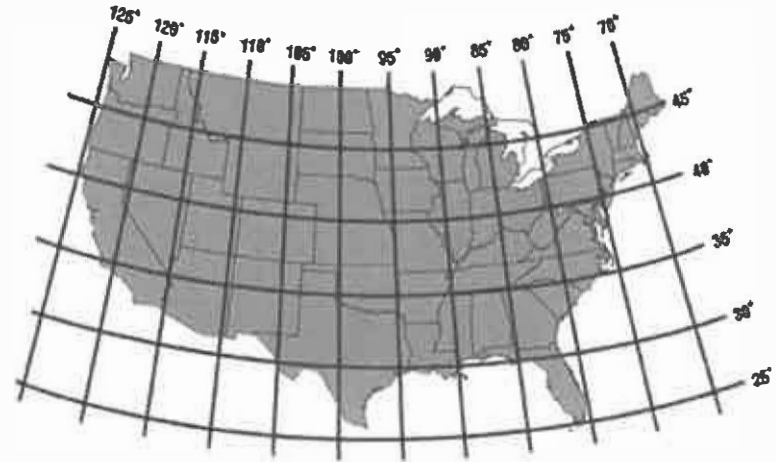


Single Digit Temperatures are not Required to Create Problems

- Temps in the 20's could lead to forced outages of generating units

- Most units not winterized, open air
- Frozen Instrumentation/controls
- Impacts to pumps
- Limited storage
 - Natural Gas
 - No. 2 Oil
 - Battery

- If Florida temps are in 20's, rest of country would be in a deep freeze
 - Impact to natural gas supply due to "Cul-de-sac"
 - Natural gas price spikes
 - Impact on No. 2 Oil supply



OUC Lessons

• Actions Completed

- Board approved IRP Light Fuel Oil storage expansion project (January 2023)
- Board approval of OGS purchase, which has dual fuel capability
- Cold weather plan submitted to SERC

• Actions Underway

- Monitor events to ensure resource adequacy for reliability and resiliency
- Evaluate OUC generating units' exposure to extreme cold weather
- Re-evaluate natural gas storage capacity
- Expand cold weather tabletop exercise
- Work with Florida Reliability Coordinating Council (FRCC)

• Future Actions

- Future EIRP's to include additional scenarios of extreme weather events, impacts to resiliency
- Future FERC regulations may include precautions for natural gas suppliers
- Evaluate load shedding schemes at distribution level
- As we integrate renewables into our strategy portfolio
 - Closely monitor reliability and resiliency
 - Evaluate fuel diversity
 - Develop High-Impact Low Frequency (HILF) scenario