FMPA Exists to Provide Low-Cost, Clean, Reliable Power to 31 Member-Owners

Alachua
Bartow
Blountstown
Bushnell
Chattahoochee
Clewiston
Fort Meade
Fort Pierce
Gainesville
Green Cove Springs
Town of Havana

Homestead
Jacksonville Beach
Key West
Kissimmee
Lake Worth
Lakeland
Leesburg
Moore Haven
Mount Dora
New Smyrna Beach

Newberry
Ocala
Orlando
Quincy
St. Cloud
Starke
Vero Beach
Wauchula
Williston
Winter Park

Serving 2 million, or 10%, of Floridians
FMPA Owns 1,562 MW of Generation in Florida

Ownership in 20 units
- 10 natural gas-fired
- 2 coal-fired
- 1 nuclear
- 7 oil-fired (Key West)
- Plus renewable energy

Fiscal 2016 ARP Energy Sources

- 82% Natural Gas
- 12% Coal
- 5% Renewables
- 1% Nuclear
The Story in Brief

- People need affordable electricity to live in Florida
- FMPA provides low-cost electricity
- Florida has great air quality, FMPA’s fleet a positive influence
- Florida municipals providing highly reliable service
- Florida municipals working hard for customers in Florida
Measures of FMPA’s Mission

- Low Cost
- Clean
- Reliable
U.S. Power Costs Increased 50% Since 2000
Median Household Income Rose 41% During Same Period

Electricity Costs, Cents per kWh

Median Household Income

SOURCES: U.S. Energy Information Administration, Federal Reserve Bank of St. Louis
Florida Residents Use More Electricity Than Average
Air Conditioning Drives Higher Residential Electricity Consumption

Residential Energy Consumption
Kilowatt hours per customer, 2016

<table>
<thead>
<tr>
<th></th>
<th>Florida</th>
<th>U.S.</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>13,311</td>
<td>10,736</td>
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</tbody>
</table>

24% More

Consumption by End-Use Devices
Percent of total kilowatt hours

Florida
- Lighting/Other: 43%
- Air Conditioning: 30%
- Refrigerators: 8%
- Space Heating: 5%
- Water Heating: 6%

U.S.
- Lighting/Other: 48%
- Air Conditioning: 21%
- Refrigerators: 18%
- Space Heating: 6%
- Water Heating: 5%

SOURCE: U.S. Energy Information Administration
SOURCE: U.S. EIA’s Residential Energy Consumption Survey
10% of disposable income goes to the electric bill for 1 of 3 Floridians.
Average Income in Florida Falls Below U.S. Average
Many FMPA Members Lower Than Florida Average

2016 Real Personal Income per Capita (2009 Dollars, Thousands Omitted)

U.S. $44,600
Florida $41,300
Muni Weighted $38,400

SOURCE: Woods and Poole Economics, Inc. and U.S. Census Bureau
Florida’s Electricity Costs 2% below U.S. Average

Average cost per kilowatt hour in cents, 2016

Weighted Average 10.3 cents
- 10.3 cents or higher
- Less Than 10.3 cents
- Access to hydroelectricity

FMPA’s Power Costs Down 26% Since Fiscal 2009
Retail Electricity Prices Nationally Increased More Than 7%

All-Requirements Project Power Costs
Average cost per 1,000 kWh billed by fiscal year

2009: $104.80
2010: $94.60
2011: $83.20
2012: $79.40
2013: $85.90
2014: $81.80
2015: $72.70
2016: $71.90
2017 Projected: $77.20
FMPA’s Costs are Competitive and Getting Better
All-Requirements’ Costs Below Average of FPL and Duke in 2016

SOURCE: Costs for investor-owned utilities from FERC Form 1 for long-term, full-requirements-type service.
JACKIE KELSEY
NEWBERRY, FLORIDA
Keeping power affordable for people, like Jackie, means more money for other needs
Measures of FMPA’s Mission

- Low Cost
- Clean
- Reliable
U.S. Has Excellent Air Quality
Florida Air Quality Better Than Other “Sunshine” State

Unhealthy Air Days
- 0-50 days
- 51-100 days
- 101-150 days
- 151-200 days

Sources: Peabody Energy calculation based on combined ozone and 24-hr PM$_{2.5}$ data from American Lung Association, State of the Air, 2014 & 2015
FMPA Has Clean Generation Fleet

Plant Emission Rates 75% and 85% Below National Averages

**NO\textsubscript{x} Emissions 75% Below U.S. Average**
Lbs./MWh, including all generation, 2016 data

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>Florida</th>
<th>FMPA</th>
<th>Cane Island</th>
<th>Treasure Coast</th>
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<tbody>
<tr>
<td>Emissions</td>
<td>0.86</td>
<td>0.4</td>
<td>0.21</td>
<td>0.07</td>
<td>0.04</td>
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**SO\textsubscript{2} Emissions 85% Below U.S. Average**
Lbs./MWh, including all generation, 2016 data

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<th>FMPA</th>
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<tbody>
<tr>
<td>Emissions</td>
<td>1.15</td>
<td>0.57</td>
<td>0.16</td>
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**Sources:**
- NO\textsubscript{x} Emissions: 2016 CSAPR Ozone Season Program
- SO\textsubscript{2} Emissions: 2016 Annual Acid Rain Program
Measures of FMPA’s Mission

- Low Cost
- Clean
- Reliable
FMPA Has Young, Efficient Generation Fleet
Unit Operating Performance Exceeds National Average

Operating Performance of FMPA's Primary Generating Units
Equivalent Availability Factor, Fiscal 2017

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<tr>
<th>Generator</th>
<th>Equivalent Availability Factor</th>
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<tr>
<td>Cane Island Unit 3</td>
<td>94%</td>
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<tr>
<td>Cane Island Unit 4</td>
<td>93%</td>
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<tr>
<td>Treasure Coast Unit 1</td>
<td>93%</td>
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National Average 85%

SOURCE: North American Electric Reliability Corporation, Generating Availability Data System
Florida Municipals Provide Reliable Power
Municipals Rank Second in Four Out of Five Reliability Indices

Distribution Reliability Indices 2016

<table>
<thead>
<tr>
<th></th>
<th>Munis</th>
<th>FPL</th>
<th>TECO</th>
<th>Duke</th>
<th>Gulf</th>
<th>FPUC</th>
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<tbody>
<tr>
<td>Duration</td>
<td>77.4</td>
<td>55.8</td>
<td>83.4</td>
<td>85.0</td>
<td>94.8</td>
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<tr>
<td>Restoration Time</td>
<td>64.0</td>
<td>60.7</td>
<td>82.8</td>
<td>86.4</td>
<td>83.3</td>
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<tr>
<td>Frequency</td>
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<td>1.0</td>
<td>1.1</td>
<td>2.0</td>
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<td>Momentaries</td>
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<td>5.8</td>
<td>9.6</td>
<td>7.6</td>
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<tr>
<td>Length</td>
<td>105.3</td>
<td>175.0</td>
<td>202.6</td>
<td>139.9</td>
<td>106.9</td>
<td>80.8</td>
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Municipals Fast at Restoring Power After Storms
After Hurricane Irma, Munis Restored Power Two Days Sooner

Among Customers Who Lost Power, Percentage Out of Service by Day

Peak Customers Out 6.7 million

Muni Utilities Weighted Average

Other Utilities Weighted Average

1 Day Faster

2 Days Faster
FMPA Well Positioned to Deliver on Its Mission

• Achieved a competitive cost position
• Expect fixed costs to be flat or declining, which should keep rates low
• Young fleet of efficient units with an enviable environmental profile