



US Energy Crisis and Its Impact on Florida

Fort Meade City Manager Forum

Sept. 20, 2022

Rising Energy and Food Costs Affecting Customers

Families Spending Additional \$6,000+ for Energy & Groceries

- Families are struggling financially, due to high energy and food prices
- Floridians use twice as much power as people in California or the Northeast
- Global and U.S. energy supply not keeping pace with post-COVID recovery
- U.S. oil and natural gas rigs (new wells) are not keeping pace with demand
- Natural gas prices are up 100 – 150% over a year ago
- Florida power costs exposed to natural gas with ~75% of power from gas
- Florida electricity prices up 15 – 50% since last year and more too come
- Municipal utilities will remain competitive despite high fuel costs



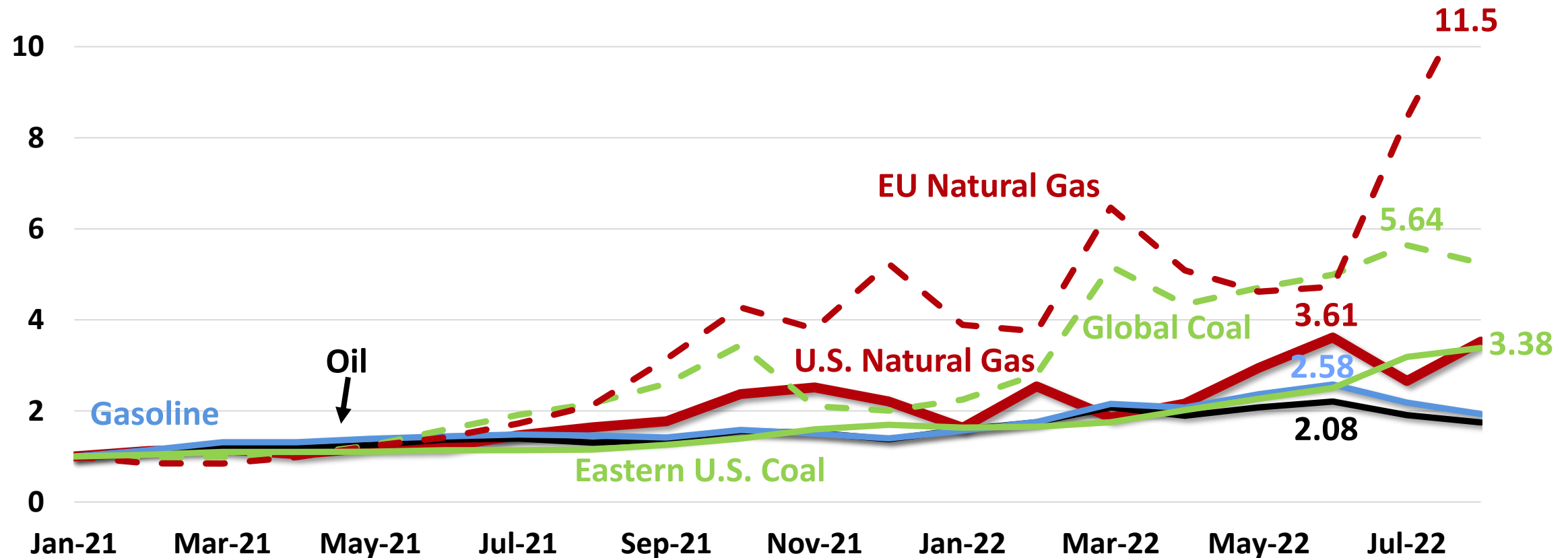
Families are struggling financially, due to high energy costs, food prices and inflation.

Floridians use twice as much power as people in California or the Northeast.

US Energy Prices Up 120% – 260% in Last Year

Global Energy Prices Up 460% – 1,000% in Same Period

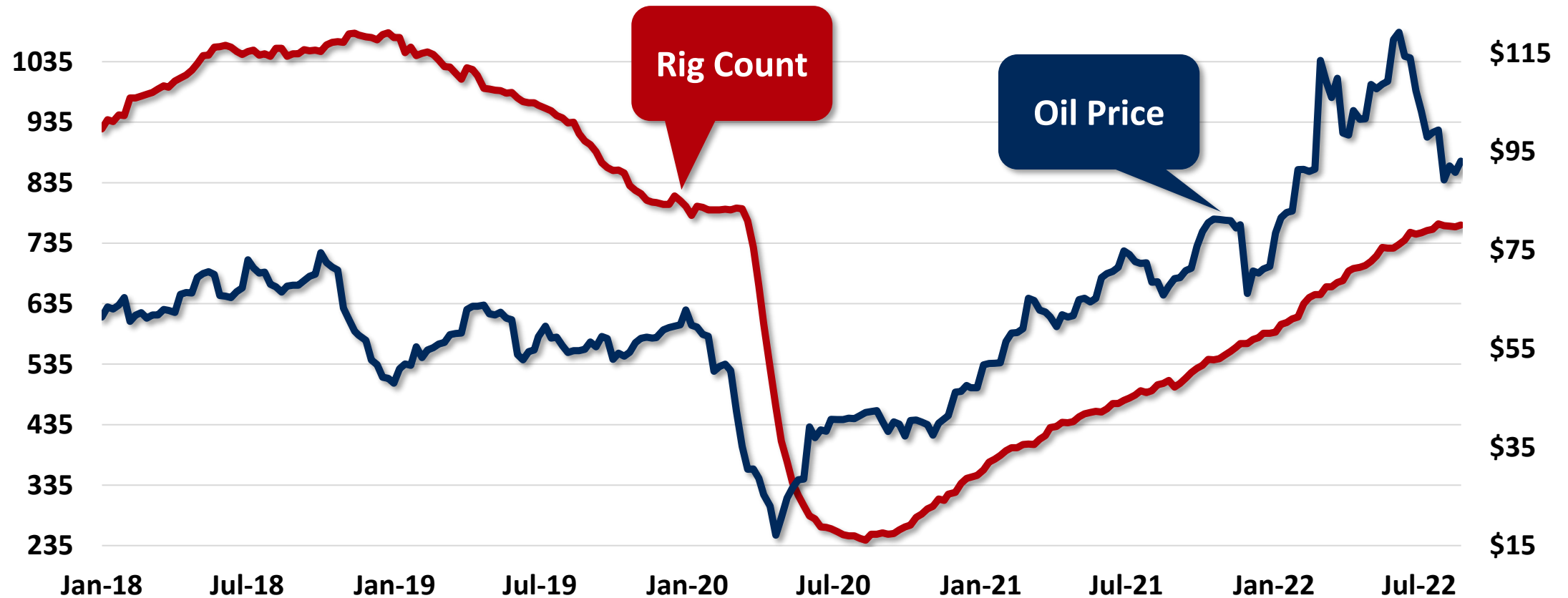
Key Commodities, Indexed to Jan. 1, 2021



Oil and Natural Gas Rigs Not Keeping Pace with Demand

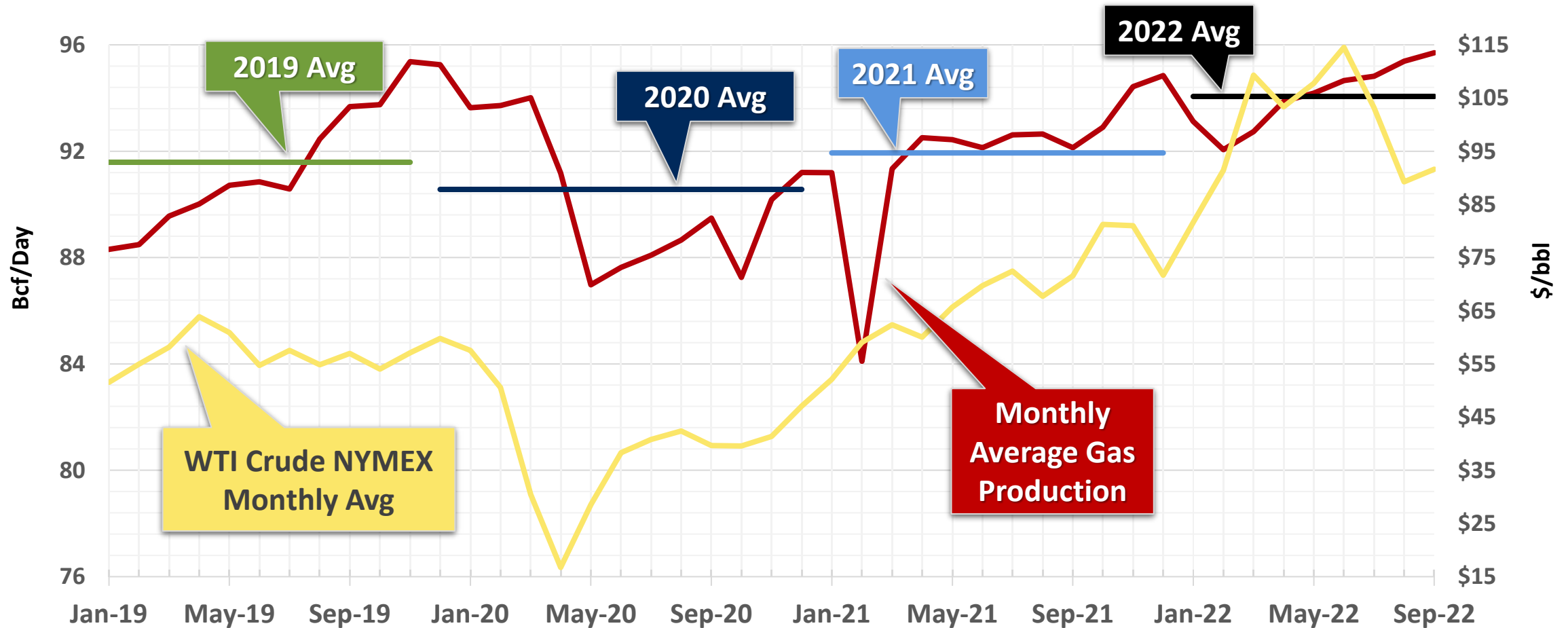
US Rig Count at Only 71% of 2019 Levels

US Drilling Rig Count vs. WTI Prompt



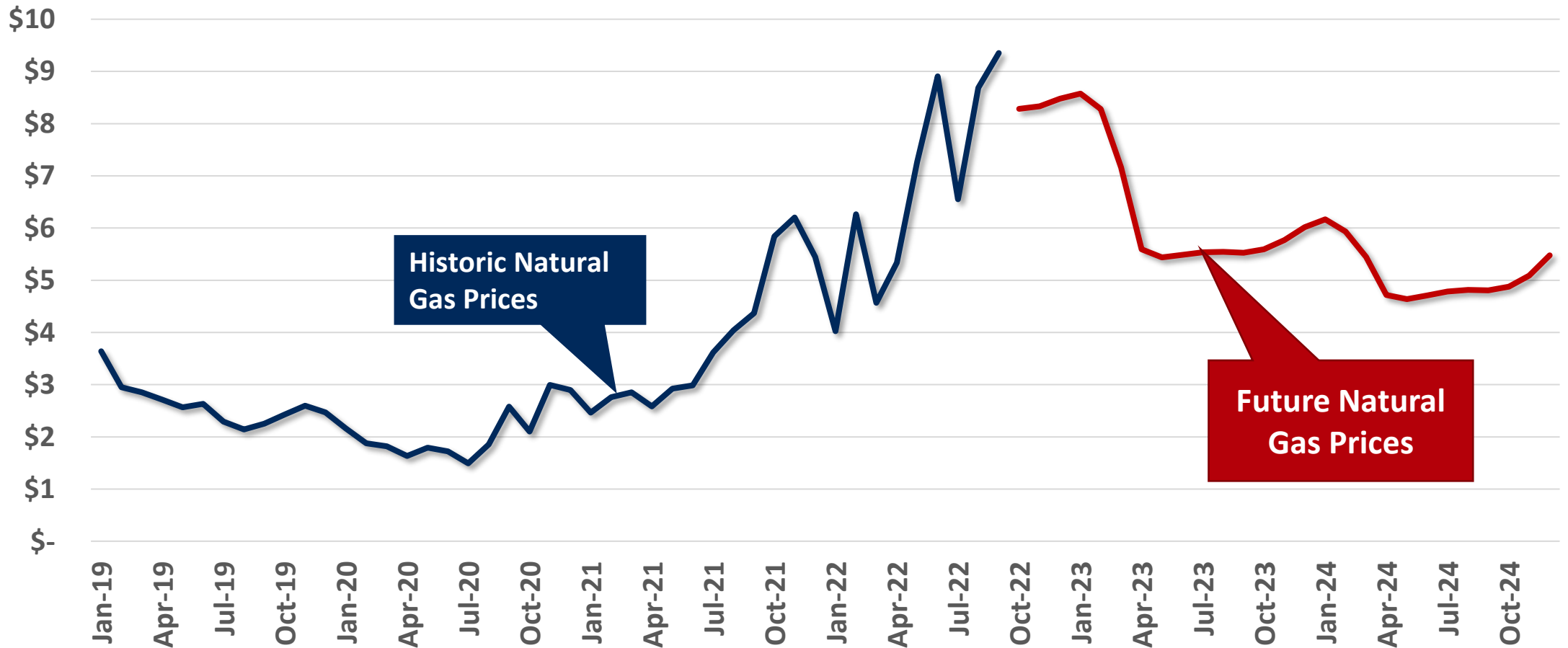
Natural Gas Production Disconnecting with Oil Prices

Average Monthly Change 2019 to Date (as of Sept. 1)



Future Curve Indicates a Correction by 2024

2022 Average Prices ~261% Higher than 2019



Most Natural Gas Uses Immune to Price Increases

Transport Uses of Oil Have Declined with High Prices

U.S. Natural Gas and Oil Use by Sector

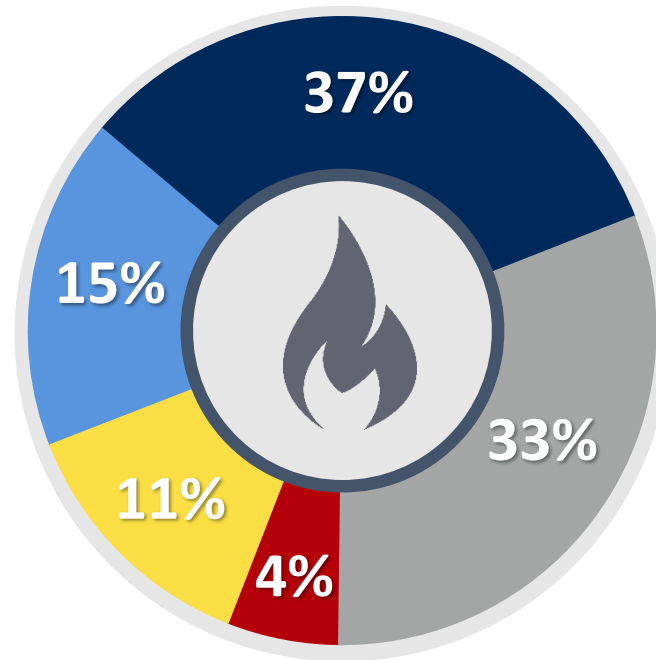
Power

Industrial

Residential

Commercial

Other



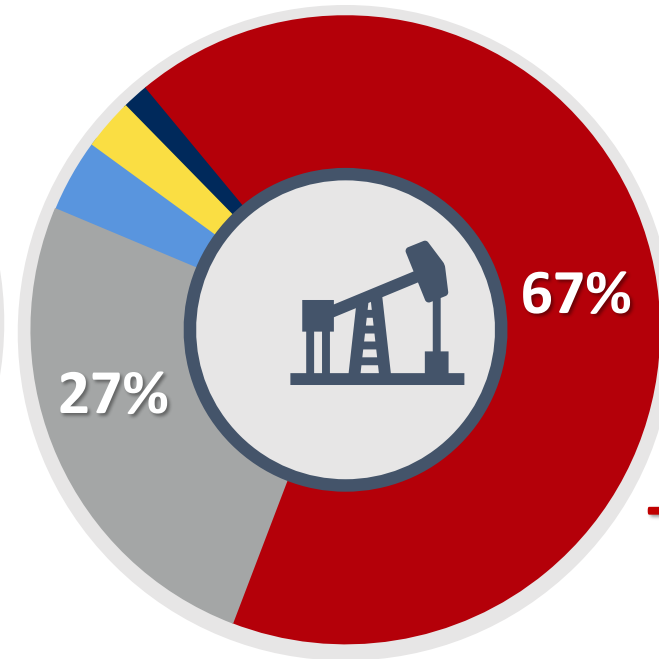
Power

Industrial

Residential

Commercial

Transportation

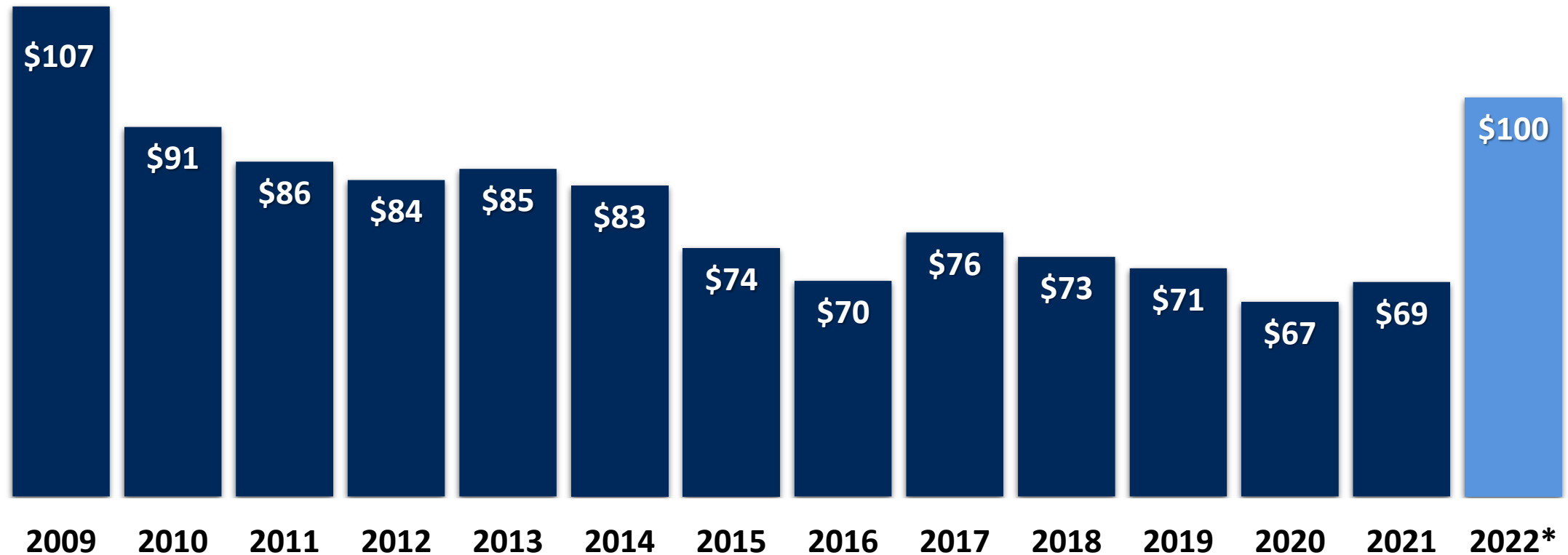


FMPA's Power Costs Up \$30 Per Megawatt Hour

First Time in Eight Years Above \$80

All-Requirements Project Power Costs

Actual cost incurred per 1,000 kWh

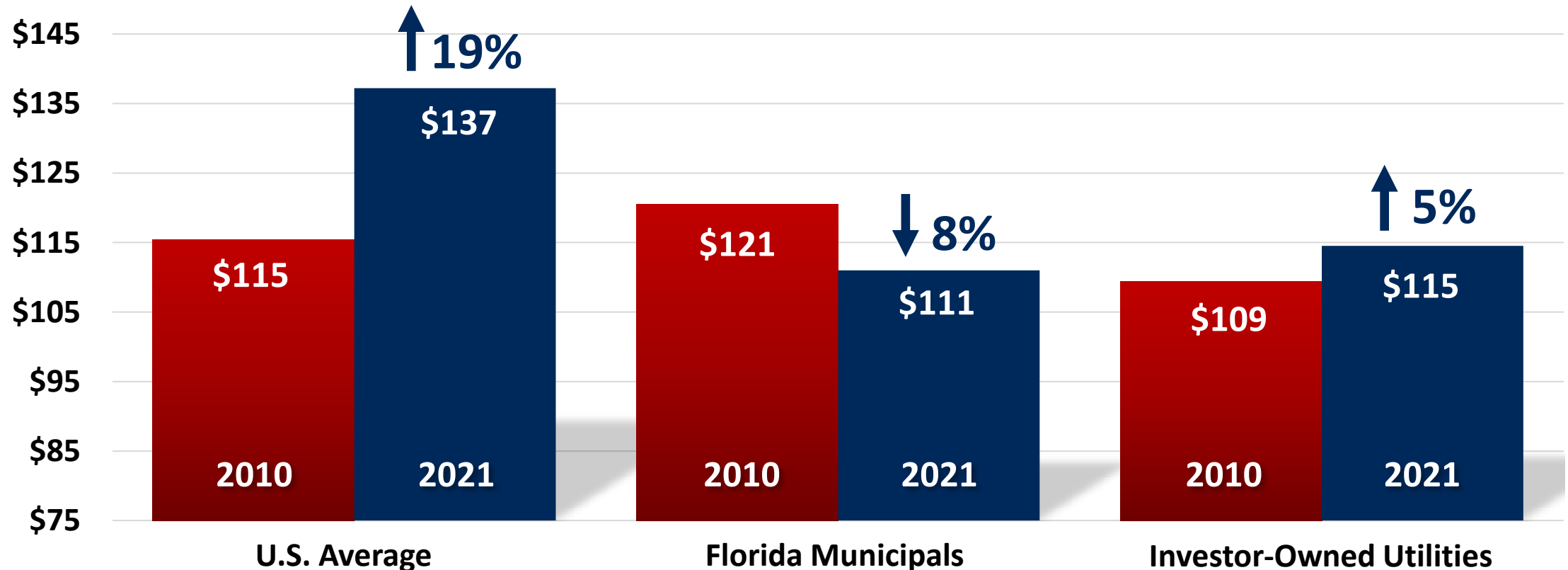


*Forecasted

Florida's Municipals Competitive

Municipal Rates 8% Lower than in 2010, U.S. Rates Up 19%

1,000 kWh Residential Bill Comparison

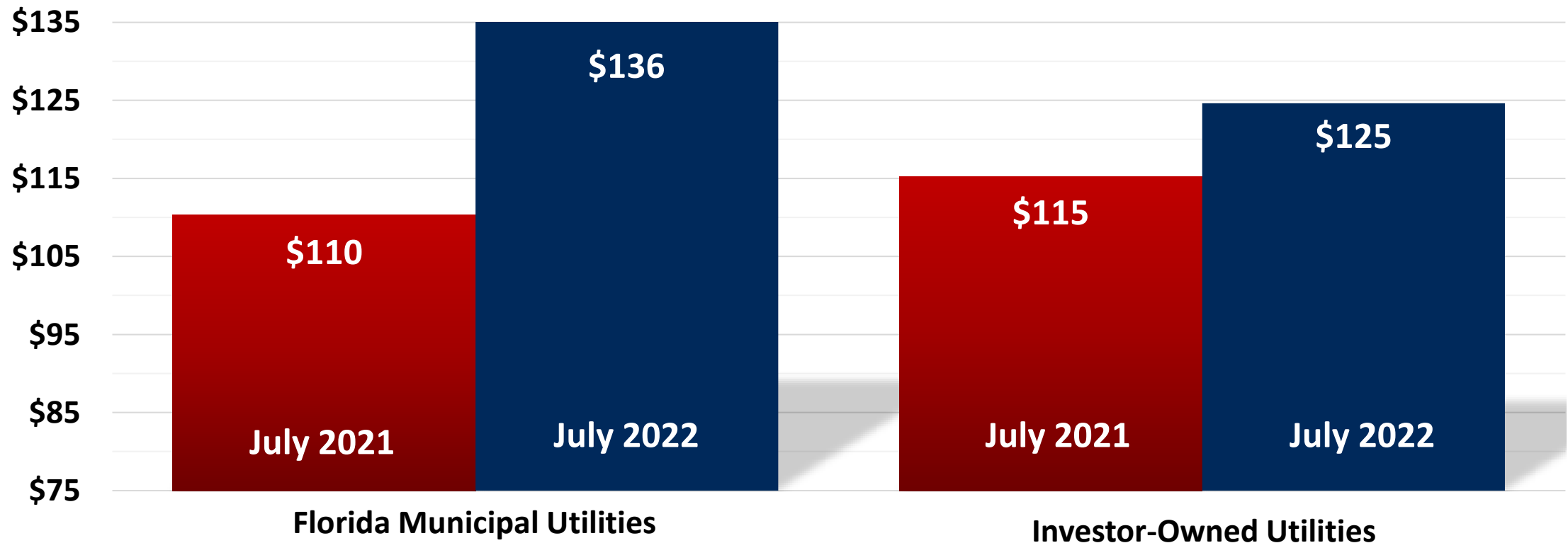


Florida Muni Rates Impacted by Higher Costs

Will Remain Competitive as IOU Rates Increase Next Year

1,000 kWh Residential Bill Comparison

July 2021 vs. July 2022



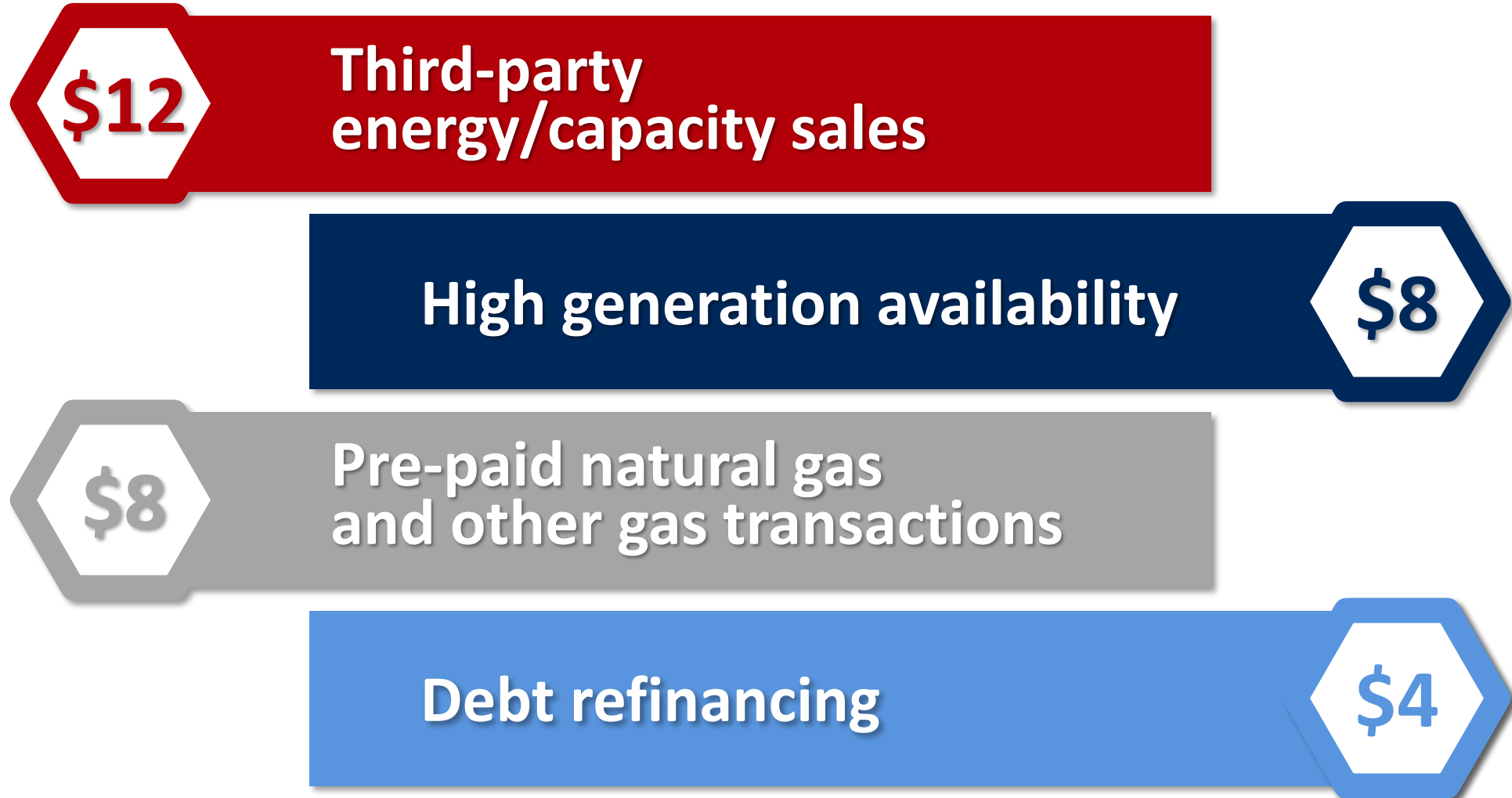
Investor-Owned Utilities Raising Rates in 2023

Asking for 30% Increase on Average in 2023

- 2023 “headline” rate increases for 1,000 kWh filed in early September
 - Duke up 15%
 - TECO up 12%
 - FPL up 8%
- Additional 2022 fuel cost under-recovery, filed in July to add to 2023 rates
 - Duke up 25%
 - TECO up 20%
 - FPL up 12%
- There are lingering multi-year base rate increases of 1 – 4% for 2023

FMPA's Costs Up \$170 Million in 2022

Mitigation Efforts Saved \$32 Million in 2021, \$24 Million this Year





KELLY MCATEE AND FAMILY, OCALA



GIORDANO LANUTO, BARTOW

Customers like Kelly and Giordano need our help to protect them from high costs in the future.