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To: FRCC RE Board of Directors and Alternates, FRCC Delegates of Record, RE Adjunct Members, RE Affiliate Members

CC: RECCF; PC; OC; John Odom; Judi Aldrovandi

From: Mory Jones

Date: January 29, 2019

Subject: FRCC Entity SERC Membership Application, BEC Seat Selection, and Related Deadlines

To prepare for the transfer of FRCC RE Entities to SERC by the anticipated July 1, 2019, date, we want to explain the several steps that need to occur over the next month. To ensure FRCC RE Entities can timely join and become involved in SERC activities, these steps include FRCC RE Entities submitting a formal SERC Membership Application, considering who their SERC Board member and alternate will be, and selecting FRCC Entity representatives for the three FRCC-Entity Board Executive Committee (“**BEC**”) seats that SERC is in the process of creating for FRCC Entities.

In this memo, I will walk through the specific actions (and related deadlines) that FRCC RE Entities must take to ensure a July 1, 2019, assimilation into SERC.¹

SERC Membership Application Process and Deadlines

SERC’s BEC considers each entity for membership using an application process, which is a formality that they will observe even in the case our FRCC Entities. To ensure that you can be a member of SERC on July 1, with all the rights and privileges membership affords, they have asked that each entity submit a membership application to SERC no later than February 21, 2019. For your convenience, the membership application you will need to complete is attached to this memo.

As you can see, the application is quite brief but must be completed by a CEO or Vice-President level representative of your organization. The most substantive part of the application asks you to designate the sector for which you are applying for membership. For your reference, SERC’s Bylaws currently include seven sectors:

1. **Cooperative** – This Sector includes any non-governmental entity that is incorporated under the laws of the state in which it operates, is owned by and provides electric service to end-use customers at cost, and is governed by a board of directors that is elected by the membership of the entity; and any non-governmental entity owned by and which provides generation and/or transmission service to such entities.

¹ None of the actions or suggestions in the memo will affect your FRCC MS membership or Board seat, if applicable.

2. **Federal/State Sector** – This Sector includes any U.S. federal entity that owns and/or operates electric facilities and/or provides balancing authority services, in any of the asset categories of generation, transmission, or distribution; or any entity that is owned by or subject to the governmental authority of a state and that is engaged in the generation, delivery, and/or sale of electric power to end-use customers primarily within the political boundaries of the state.
3. **Investor-Owned Utility Sector** – This Sector includes any investor-owned entity with substantial business interest in ownership and/or operation in any of the asset categories of generation, transmission or distribution.
4. **Marketer** – This Sector includes any entity that is engaged in the activity of buying and selling of wholesale electric power in the SERC Region on a physical or financial basis.
5. **Merchant Electricity Generator** – This Sector includes any entity that owns or operates an electricity generating facility or provides balancing authority services for such entities. This includes, but is not limited to, small power producers and all other non-utility producers such as exempt wholesale generators who sell electricity at wholesale.
6. **Municipal** – This Sector includes any entity owned by or subject to the governmental authority of a municipality, that is engaged in the generation, delivery, and/or sale of electric power to end-use customers primarily within the political boundaries of the municipality; and any entity, whose members are municipalities, formed under state law for the purpose of generating or purchasing electricity for sale at wholesale to their members.
7. **ISO-RTO Sector** – This Sector includes any entity that operates a FERC approved ISO or RTO.

SERC has supplied a list with their preliminary suggested sector designations (attached), but you are welcome to designate a different preferred sector, along with a brief explanation of why your requested designation is appropriate. The membership application process at SERC, in short, is as follows. Upon receipt of the application, similar to our process here at FRCC, the SERC Corporate Secretary reviews the application and provides a brief write-up of the application and entity seeking membership. She sends the application and write-up to SERC Legal for a second review. The application and write-up then go to the BEC. In this case, the BEC will meet on March 13 and will consider the applications for a conditional approval (i.e., not effective until July 1). SERC's Corporate Secretary will communicate the vote to me and to each applicant, after which each approved entity will receive a membership package directly from SERC with confidentiality agreements, committee information, portal access information, and so forth. The proposed timeline allows SERC the time it needs to prepare a write-up for each applicant, to ensure BEC approval of the applications, and to complete all the necessary behind-the-scenes activities (i.e., account set-up, signing of necessary agreements) so that new members have full access and ability to participate at SERC on July 1.

I have volunteered to help SERC facilitate receipt of your applications. Please submit a completed SERC Membership application to me (mjones@frcc.com) by the end of the day on February 20. I will collect all of applications submitted to me by that date and will send them to SERC on the morning of February 21. If you have questions or concerns about the application or deadline, please let me know.

SERC Board Member and Alternate

Each SERC Member has the ability to appoint a Board member and an alternate to the Board of Directors. Although SERC will ask who your Board member and alternate will be shortly after approval of your application, your selection has an impact on who FRCC Entities may seat at SERC's BEC, as discussed in the next section. So that your anticipated SERC IOU, Cooperative, and Municipal Sector Board member can be considered for

FRCC's SERC BEC seats, I am asking that FRCC Entities that will be in SERC's IOU, Cooperative, or Municipal Sector please send me (mjones@frcc.com) the name of your anticipated SERC Board member by the end of the day on February 20, along with your application.

As you determine the name of your SERC Board member, the one limitation of which you should be aware is that, if you have a parent company or affiliate who is also a SERC member, then you will only be permitted to name one Board member and one alternate total between your organizations. This stems from the following language in Section 4.2 of the SERC Bylaws:

Each Director shall be the principal officer or other authorized employee from a Member Company or a company that controls, is controlled by, or is under common control with such Member Company (an "affiliated entity"). Each Member Company, together with any affiliated entities, may appoint one (1) Director to the Board of Directors. For clarification purposes only, each Member Company and all of such Member Company's affiliated entities (including any affiliated entities which may be a separate Member Company) shall have the right to appoint only one (1) Director to serve on behalf of such Member Company and all of such Member Company's affiliated entities. Each Director shall serve until otherwise replaced by the applicable Member Company, together with any affiliated entities. Each Member Company, together with any affiliated entities, may designate one (1) alternate Director, who shall be a principal officer or other authorized employee from the Director's Member Company or an affiliated entity, to serve in the place of the Member Company's Director at any meeting of the Board of Directors (an "Alternate Director").

Please let me know if you have questions or concerns about this limitation.²

FRCC's Selections for FRCC-BEC Seats

As you know, SERC is seeking to revise its Bylaws to add three seats to its BEC, which seats would be exclusively reserved to FRCC Entities for a period of time. The three seats that SERC is seeking to add would be in the following SERC sectors: IOU, Municipal, and Cooperative. So that these seats can be filled in time for the individuals selected to be active on July 1, SERC will need to take action to seat these individuals in the next few months. The individuals selected for the BEC must be SERC Board members and cannot be Alternates. Rather than provide SERC with a list of anticipated candidates from which SERC would select the FRCC Entities' BEC representatives, we have offered to facilitate a selection process here similar to the sector elections we hold on an annual basis every January here at FRCC; this will allow FRCC Entities to select their own BEC representatives.

Again, your BEC representatives must be SERC Board members. Once I have a list of the anticipated Board members for the SERC IOU, Cooperative, and Municipal Sectors as requested above, I would recommend that I take nominations from the FRCC entities who will be in the SERC IOU, Cooperative, and Municipal Sectors and then run an FRCC-SERC Sector election for each of the three new BEC seats. If you would prefer to handle this in another way, I am happy to assist as needed, but it is important that FRCC Entities who will be in SERC's IOU, Cooperative, and Municipal Sectors take immediate steps to choose your three BEC sector representatives,

² Even if you will be affected by this limitation at the Board level, we would encourage you to consider completing a SERC Membership Application, as membership would also afford you the ability to appoint a representative and alternates to each of the SERC standing technical committees (engineer, operating, and critical infrastructure).

if you so wish. However you decide to proceed, please be advised that SERC must receive names of the proposed FRCC-SERC BEC members by the close of business on March 11, 2019.

Summary of Key Dates/Events

February 20, 2019	Due for ALL: Completed SERC Membership Applications – send to Mory
February 20, 2019	Due for SERC IOU, Municipal, and Coop Sectors only – send Mory the name of your anticipated SERC Board member
February 21, 2019	Mory will send all completed SERC Membership Applications to SERC
March 11, 2019	DEADLINE to conduct election/selection process for FRCC Entities’ representatives on the SERC BEC (SERC IOU, Cooperative, and Municipal Sectors) and for Mory to communicate representatives’ names to SERC
March 13, 2019	SERC BEC meeting
Week of April 22, 2019	SERC’s Spring Board Meeting (at which time Membership Applications will be considered)
April 29, 2019 – June 28, 2019	Set-up of access/accounts for new members at SERC
July 1, 2019 ³	New members to have full access/participation rights at SERC

³ Assuming FERC approval and transition at July 1, 2019.

FRCC Entity	FRCC Sector	Suggested SERC Sector
Calpine Corporation	Suppliers Sector	Merchant Electricity Generator Sector
City of Lake Worth Utilities	LSE Sector	Municipal Sector
City of Tallahassee	Generating LSE Sector	Municipal Sector
City of Vero Beach	LSE Sector	Municipal Sector
Clay Electric Cooperative	LSE Sector	Cooperative Sector
Constellation Energy Commodities Group	General Sector	Marketer Sector
Duke Energy – Florida	IOU Sector	IOU Sector
Florida Energy Connection, LLC	General Sector	Merchant Electricity Generator Sector
Florida Keys Electric Cooperative	LSE Sector	Cooperative Sector
Florida Municipal Power Agency	Non-IOU Utility Wholesale Sector	Municipal Sector OR Marketer Sector
Florida Power & Light Company	IOU Sector	IOU Sector
Florida Public Utilities Company	General Sector	IOU Sector
Fort Pierce Utilities Authority	LSE Sector	Municipal Sector
Gainesville Regional Utilities	Generating LSE Sector	Municipal Sector
Georgia Transmission Corporation	General Sector	Cooperative Sector
Homestead Energy Services	LSE Sector	Municipal Sector
JEA	Generating LSE Sector	Municipal Sector
Kissimmee Utility Authority	LSE Sector	Municipal Sector
Lakeland Electric	Generating LSE Sector	Municipal Sector
Lee County Electric Cooperative	LSE Sector	Cooperative Sector
Northern Star Generation	Suppliers Sector	Merchant Electricity Generator Sector
Ocala Utility Services	LSE Sector	Municipal Sector
Orlando Utilities Commission	Generating LSE Sector	Municipal Sector
Rainbow Energy & Marketing	Affiliate Member	Marketer Sector
Radiant Energy, LLC	Adjunct Member	Marketer Sector
Reedy Creek Improvement District	LSE Sector	Municipal Sector
Seminole Electric Cooperative, Inc.	Non-IOU Utility Wholesale Sector	Cooperative Sector
Southern Power	Suppliers Sector	IOU Sector
Tampa Electric Company	IOU Sector	IOU Sector
Utilities Commission of New Smyrna Beach	LSE Sector	Municipal Sector

SERC MEMBERSHIP APPLICATION

(Please submit to Mory (mjones@frcc.com) by the end of the day on February 20)

ENTITY NAME: _____

APPLICANT NAME/TITLE: _____
(Must be CEO/VP level to complete this application)

APPLICANT E-MAIL: _____

APPLICANT TELEPHONE: _____

APPLICANT FAX: _____

APPLICANT'S ASSISTANT: _____
(Name/E-Mail/Phone)

ENTITY'S NERC REGISTRY ID: _____

ENTITY ADDRESS: _____

ENTITY CITY/STATE/ZIP: _____

ENTITY'S REQUESTED SERC SECTOR (check one):

- | | |
|---|--|
| <input type="checkbox"/> Cooperative | <input type="checkbox"/> Federal/State |
| <input type="checkbox"/> Investor-Owned Utility | <input type="checkbox"/> Marketer |
| <input type="checkbox"/> Merchant Electricity Generator | <input type="checkbox"/> Municipal |
| <input type="checkbox"/> ISO-RTO | |

PLEASE LIST THE SYSTEMS WITH WHICH YOU ARE INTERCONNECTED:

PLEASE LIST ANY PARENT AND/OR AFFILIATE COMPANY(S):

PLEASE PROVIDE ANY FURTHER INFORMATION YOU WOULD LIKE CONSIDERED:

SUBMITTED ON: February _____, 2019