Memorandum of Understanding between the
City of St. Petersburg and Duke Energy Florida, LLC for
Clean Energy Collaboration

THIS MEMORANDUM OF UNDERSTANDING ("**Memorandum**") is dated as of August 3, 2021 between the City of St. Petersburg ("**City**") and Duke Energy Florida, LLC ("**Duke Energy**"). The Memorandum provides a strategy for cooperation and achievement of a shared vision through broad collaboration, focusing on innovation, clean energy, economic development opportunities, customer choice programs and technology. City and Duke Energy are each a "**Party**" and collectively the "**Parties**" to this Memorandum.

BACKGROUND

A. City is a municipality. It is responsible for protecting the public health and safety of its residents.

B. City has a full framework of goals and commitments related to climate, energy, economic development, equity and more through collaboration with the community and businesses and adopted by City Council in the City's Integrated Sustainability Action Plan ("**ISAP**"). Specifically, the City is committed to a 100% clean energy transition for the entire community by 2035 and an 80% reduction in greenhouse gas emissions by 2050. The City also has commitments to purposefully support racial and social equity.

C. City has conducted a community-wide and municipal operations greenhouse gas emissions inventory for 2016 with intentions to update it for year 2020 and every three to five years going forward, using data collected at least annually. City is implementing efforts to reduce emissions while growing its economy and leading in energy innovation.

D. Duke Energy is a statewide, integrated public utility energy provider, which is regulated by the Florida Public Service Commission ("**PSC**"). Duke Energy is the only provider of electricity within the City limits.

E. Duke Energy also has a framework of goals from grid modernization, vehicle electrification infrastructure, and supporting innovation to specific stated climate goals including a target of 50% reduction of carbon emissions by 2030 and an ultimate goal of having net-zero carbon emissions by 2050. These goals are supplemented by near term action, including the goal of doubling renewables by 2025 and investing to create a smarter and more resilient grid.

F. Over the course of many years, City and Duke Energy have developed a strong tradition of working together, resulting in an interwoven history linked to City's growth, development, planning and energy needs and objectives. In the last several years, collaboration has continued to expand, notably related to energy efficiency and renewable energy, work sessions to support billing analysis and improve billing and tracking. City was the first city to work with Duke Energy on data requests to support the City greenhouse gas emission inventory.

G. City and Duke Energy have opportunities to build on many aligned interests at the local, state and federal levels and desire to advance those interests in a new way, capitalizing on each entity's strengths and expertise in a collaborative fashion.

H. To do this, City and Duke Energy are creating a holistic, collaborative and mutually beneficial relationship that supports each of their goals for a clean energy future.

I. City and Duke Energy desire to memorialize, in this Memorandum, their shared vision, guiding principles, values and goals regarding their collaboration.

I. COLLABORATION

A. VISION

Aspirations and goals, which drive a desired future, represent an organization's vision. City and Duke Energy have their own visions and, in the course of their collaboration, have identified a shared vision.

11 *Shared Vision*: City and Duke Energy will work to support and achieve a shared vision in areas of mutual alignment, for the benefit of residents, businesses and the broader community. City and Duke Energy will seek to collaborate to make City a global leader in utilizing low carbon, local, renewable energies as part of a just transition to clean energy. Data driven solutions and innovative technologies will combine to continue the shared vision of continuous improvement toward an equitable, efficient, and resilient city. Some potential solutions may include municipal energy efficiency goals, on-site energy use improvements, distributed renewable energy and storage, as well as policies impacting low income residents. Duke Energy will continue to be the provider of the energy its customers need, delivering safe, reliable, and affordable energy, including adding cost effective renewable energy to its system as part of a transition to clean energy. City and Duke Energy will separately, and also collaboratively, pursue innovations in technology and consumer communications that accelerate achievement of their shared vision. Both Parties acknowledge that the ability of the City and Duke Energy to implement innovations rapidly may be constrained by regulatory and operational requirements. City and Duke Energy will work toward minimizing those regulatory and operational barriers for the rapid implementation of safe, resilient, and just innovations and policies.

B. VALUES

City and Duke Energy seek to lead with their values, which are the standards that define what the community, City and Duke Energy determine are important and desirable. In essence, values help shape the "why" of what we do on a daily basis. Overall, the community has a large impact on determining City's and Duke Energy's values. City and Duke Energy desire to make City a community that achieves:

21 *Emissions Reductions:* Reducing greenhouse gas emissions will reduce climate change impacts from the City and will benefit City residents, visitors, and businesses through improved public and environmental health, additional economic opportunities.

22 *Economic Development*: Innovation and technology, as well as investment in low carbon energy resources and energy efficiency, will provide opportunities to support further growth of the local and state economy and support the retention, growth and attraction of businesses and employees while preserving and enhancing resources for future generations.

23 *Community and Stakeholder Engagement:* City and Duke Energy value community and stakeholder feedback relevant to resource planning, programs, infrastructure, regulatory structures and actions. Parties will strive to bring all voices into the implementation of the collaboration.

Achievement of these values will lead to:

24 *Thriving Energy Provider*: A healthy and thriving energy provider (*i.e.*, Duke Energy) is conducive to City achieving its goals and objectives – ranging from City advancing its sustainability and resiliency goals to advancing economic development efforts – as well as to the success of the collaboration.

25 *Thriving City*: A healthy and thriving community (*i.e.*, City) is conducive to Duke Energy achieving its goals and objectives as well as to the success of the collaboration.

26 *Regional Collaboration*: Solutions should be sought through regional collaboration whenever feasible.

II. GUIDING PRINCIPLES

As City and Duke Energy, in conjunction with the community, seek to achieve shared goals, they will follow certain tenets. The guiding principles listed below will supply the "how" of implementing their shared vision:

31 *Collaboration*: City and Duke Energy will work collaboratively to achieve the shared vision with respect, transparency and innovative thinking, as well as by establishing open and effective channels of communication to further their shared vision. This includes committing to early and open dialogue around regulatory, planning, and other matters. The City and Duke Energy will increase communications and transparency around utility infrastructure planning and city land use planning. In addition, City and Duke Energy will be open and willing to consider opportunities to develop joint funding proposals for federal, state, or philanthropic grants.

32 *Scalability:* City and Duke Energy will seek to develop a collaboration that will be replicable, scalable and available to other communities in Florida.

33 *Costs and the Florida Regulatory Model*: Pursuit and execution of the collaboration including any renewable energy and sustainability targets, will be cost effective to City residents in light of anticipated costs and benefits. As costs are determined, the Parties will work together in good faith to determine how to allocate the costs of the proposal, along with its anticipated benefits (including economic and specified non-economic benefits), and whether to incur them, except to the extent approved and deemed reasonable by the Florida Public Service Commission. The state regulatory model will be fully utilized to support the collaboration, and the Parties support using this model to achieve their shared vision.

34 *Public Policy Support*: City and Duke Energy will, where possible, seek to collaborate to advance public policy matters at the state and local levels where they share common interests. City and Duke Energy will also commit to regular and open communication regarding public policy matters, as outlined in 3.1 Collaboration, 4.1 Planning and Deliverables and 4.2 Florida Public Service Commission.

35 *Leveraging City's and Duke Energy's Efforts*: The collaboration will leverage each Party's unique efforts and opportunities, such as collaboration on federal and private grants and funding opportunities that align with this Memorandum.

III. PLANNING, PROGRESS AND EXECUTION

41 *Planning and Deliverables*: After execution of this Memorandum, the Parties will meet at least quarterly, to plan and advance projects covered under this collaboration. An agreed upon list of potential areas for collaboration can be found in Attachment 1. After executing this MOU, the parties will meet to prioritize items to collaborate on, which can be revisited at least annually. In prioritizing the items from Attachment 1 to be performed, the Parties will consider solutions that promote the shared vision outlined above, as well as comport with legal and regulatory requirements in Florida. The parties recognize that energy technologies, policies, and markets are evolving rapidly and may decide to modify the Attachment 1 during the course of this Agreement. The Parties will use their best efforts to move projects forward in a reasonable manner. An overview of the work performed, and the results achieved will be prepared by the Parties on an annual basis.

42 *Required Approvals*: The Parties recognize that future action taken by Duke Energy to support the collaboration may be subject to state regulatory utility requirements under Florida law and that action taken by the City to support the collaboration may be subject to St. Petersburg City Council ("City Council") approval. If the Parties agree on certain actions in support of the collaboration that require state regulatory approval or approval of the City Council, they agree to cooperatively work together to attempt to facilitate such required approvals. Costs and incentives related to implementing the collaboration, above and beyond what is then offered by Duke Energy, will be negotiated by the Parties and may require City Council approval.

43 *Meetings and Staffing*: The Parties will meet at least semi-annually to advance and evaluate completion of the prioritized actions and to collaboratively identify what is needed to achieve desired goals. These meetings can be in addition to any ad hoc meetings to discuss future regulatory and legislative engagement or other matters. The Parties will make staff and resources reasonably available to support the work. Once a year the Parties will host a meeting with external stakeholders to discuss the progress of the partnership, provide timely updates to upcoming action(s) that impact the broader community, and seek input and feedback as necessary. Stakeholders may include neighborhood organizations, environmental groups, groups representing low to moderate income populations, local scientists and science advisory panels, businesses and business organizations, developer groups as well as professional organizations and other relevant stakeholders.

44 *Legal Applicability and Waiver*: The Parties agree that this document memorializes the intent of the Parties regarding the collaboration, but does not create a legally enforceable agreement, or any rights, duties, obligations or liabilities whatsoever. With the exception of this Section 4.4. and Section 4.5 (both of which are intended to be legally enforceable), this Memorandum constitutes only a non-binding statement of the Parties' intentions and neither constitutes nor should be construed as evidence of any form of offer, acceptance or binding contract or the basis for agreement by estoppel or otherwise. It is agreed by the Parties that nothing in this document will be deemed or construed as creating a joint venture, trust, partnership, or any other legal relationship between the Parties. It is further agreed by the

Parties that nothing in this document creates or will be construed as creating any financial obligation or commitment by either party. Any activities under this Memorandum that contemplate future financial commitments by the Parties will be carried out under a separate agreement and will be subject to all required approvals. This document is for the benefit of the Parties and does not create third party rights. Nothing in this document constitutes a waiver of City's ordinances, City's regulatory jurisdiction or Florida's utility regulatory jurisdiction. Either party may terminate this Memorandum at any time and for any reason by providing written notice via email of such termination. Upon delivery of such notice, this Memorandum will be automatically terminated and be of no further force and effect.

45 *No Impact on Other Agreements*: The execution, delivery and performance by the parties of this document does not, in any way, amend, modify or otherwise alter any such party's respective rights and obligations under any other agreement, instrument or other understanding by which it is bound including, without limitation, the Franchise Agreement between the Parties effective as of August 1, 1996 and adopted as City ordinance no. 238-G (the "**Franchise Agreement**").

46 *Duration*: The collaboration is a new endeavor and therefore the Parties want to provide adequate time to develop it and successfully implement their goals and mutual priorities. It is anticipated that the duration will coincide with the term of the Franchise Agreement or any subsequent Franchise Agreement between the Parties, but either party may terminate this Memorandum at any time and for any reason by providing written notice via email to the State President of Duke Energy Florida or Mayor of the City of such termination. Upon delivery of such notice, this Memorandum will be automatically terminated and be of no further force and effect.

[SIGNATURES ON FOLLOWING PAGE]

Signed on the date first above written.

CITY OF ST PETERSBURG, FLORIDA

By: _____
Honorable Rick Kriseman, Mayor

DUKE ENERGY FLORIDA, LLC

By: _____
State President Melissa Seixas

ATTEST:

_____
City Clerk (Designee)

Approved as to Form and Content:

_____
City Attorney (Designee)

ATTACHMENT 1

- **Transparency and Data Access**: The success of this relationship will depend, in part, on cooperative sharing of information and data in a timely manner (but subject to applicable restrictions on information sharing such as regulatory constraints, non-disclosure agreements and proprietary interests). Sharing should be in alignment with Collaboration activities and be to the full extent permitted by law and data sharing capabilities. Duke Energy, in its sole and absolute discretion, may provide the following information to City:

    - Aggregated community-wide energy use by categories that provide sufficient information for GHG inventory purposes - (by zip code or census block preferable) - as available
    - Generation portfolio as available
    - Emissions factor per MWh as available
    - Production profiles for the Clean Energy Connection program and other DEF solar program projects as available as available
    - Aggregated non-utility owned, distributed PV capacity reported at least annually (MW)
        - Residential, commercial and industrial
        - Net metering requests
    - Utility owned, as available, battery and other distributed storage systems reported at least annually (MW) as available
    - Most recent portfolio and clean energy transition data as updated

- **Transparency of Stakeholder Engagement:** In addition to each Party's ongoing constituent outreach, the Parties will collaborate once a year to determine appropriate formats, frequency, and priority topics for engagement with external stakeholders from the community to implement ongoing education about utility operations, costs/rates, and programs. In addition, the Parties will share accomplishments, philanthropy, and other community-minded activity.

- **Reliability and Operations**: A priority should be placed on identifying ways to boost reliability. Initial ideas include undergrounding of electric distribution facilities consistent with Duke Energy's grid improvement plan, improved coordination on construction projects, annual development of a rolling three-year program to discuss critical needs and system upgrades, and natural disaster preparedness planning that addresses resilient infrastructure.

- **Energy efficiency**: Lowering energy consumption reduces operating costs for City municipal operations, businesses and residents while lowering air pollution and greenhouse gas emissions. Energy efficiency can be a low-cost energy resource and could be utilized across all sectors to achieve the shared vision. To achieve these goals, the City and Duke Energy will explore additional opportunities to increase on and off-site energy efficiency in the City and the greater Florida area.
- **Renewable Energy:** Renewable energy procurement will be a critical part of the City's strategy to meet its 2035 100% clean energy goal. Similarly, Duke Energy aims to double its renewables by 2025, and reduce carbon emissions by 50% by 2030. To achieve these goals, the City and Duke Energy will explore opportunities to increase on and off-site renewable development in the City and the greater Florida area.

- **Resilience**: Microgrids, understanding emergency islanding options, district energy and battery storage all help boost resilience, especially for critical infrastructure. Priority projects should be identified and piloted to align emergency preparedness, climate, health, economic and social goals.

- **Smart technology**: Emerging cutting-edge technology provides significant opportunities to change the way the Parties address energy options. The Parties will pursue opportunities to test, pilot and utilize smart technology to achieve the shared vision. Projects may include multi-use poles and lighting, battery storage, smart grid solutions like distribution automation (DA) technologies and systems, including advanced sensors and self-healing controls & advanced metering infrastructure (AMI), including smart meters and two-way communications networks; as wells as demand side technology collaboration and the like. The Parties may also explore various options regarding providers of smart technology appurtenances.

- **Mobility Electrification and Innovation**: Accelerated electrification of the transportation sector is critical to reducing the City's carbon footprint. Per the City's ISAP, the city has a goal of 13% reduction in transportation emissions by 2025, and a 30% reduction by 2035. As part of this, an aggressive transition plan toward such a carbon-free transportation system is essential. Investments by the appropriate parties in electric vehicle ready infrastructure, charging stations, fleet applications and charging depots could be a focus area of the collaboration.

- **Solar for Community Benefit:** Through this collaboration, City will collaborate with Duke Energy to promote Clean Energy Connection for residents and low-income residents as appropriate, and Duke Energy will evaluate, with the City, potential new ways to creatively implement solar PV within City limits.