C7 Y A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE LAND USE AND SUSTAINABILITY COMMITTEE AND DIRECTING THE CITY ADMINISTRATION TO WORK WITH FLORIDA POWER AND LIGHT (FPL) TO ACCOMPLISH THE UNDERGROUNDING OF UTILITIES WITHIN THE CITY IN ACCORDANCE WITH THE FPL STORM PROTECTION PLAN AND SUCH OTHER PROGRAMS AS MAY BE APPROVED BY THE FLORIDA PUBLIC SERVICE COMMISSION, AND TO WORK WITH FPL ON ALL OTHER PLANNED IMPROVEMENTS TO PROTECT AND STRENGTHEN TRANSMISSION AND DISTRIBUTION INFRASTRUCTURE FROM EXTREME WEATHER CONDITIONS, REDUCE OUTAGE TIMES AND RESTORATION COSTS, AND IMPROVE OVERALL SERVICE RELIABILITY TO CUSTOMERS.

MIAMIBEACH

COMMISSION MEMORANDUM

TO:	Honorable Mayor and Members of the City Commission
FROM:	Rickelle Williams, Interim City Manager
DATE:	June 26, 2024
TITLE:	A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE LAND USE AND SUSTAINABILITY COMMITTEE AND DIRECTING THE CITY ADMINISTRATION TO WORK WITH FLORIDA POWER AND LIGHT (FPL) TO ACCOMPLISH THE UNDERGROUNDING OF UTILITIES WITHIN THE CITY IN ACCORDANCE WITH THE FPL STORM PROTECTION PLAN AND SUCH OTHER PROGRAMS AS MAY BE APPROVED BY THE FLORIDA PUBLIC SERVICE COMMISSION, AND TO WORK WITH FPL ON ALL OTHER PLANNED IMPROVEMENTS TO PROTECT AND STRENGTHEN TRANSMISSION AND DISTRIBUTION INFRASTRUCTURE FROM EXTREME WEATHER CONDITIONS, REDUCE OUTAGE TIMES AND RESTORATION COSTS, AND IMPROVE OVERALL SERVICE RELIABILITY TO CUSTOMERS.

RECOMMENDATION

The Administration recommends approving the resolution.

BACKGROUND/HISTORY

At its May 17, 2023 City Commission meeting, the Mayor and City Commission approved a dual referral to the Public Safety and Neighborhood Quality of Life Committee (PSNQLC) and, by acclamation, the Land Use and Sustainability Committee (LUSC) to discuss Florida Power and Light's (FPL) Storm Secure Underground Program (SSUP), also known as the Distribution Lateral Hardening Program, and opportunities for identifying Miami Beach neighborhoods that would be eligible for undergrounding of power lines through this program. The Storm Protection Plan (SPP) is funded through the Storm Protection Cost Recovery Charge and is already included in the monthly bill for all FPL customers system wide. This charge is reviewed and reset by the FPSC on an annual basis.

The Distribution Lateral Hardening Program is one of several programs included in FPL's SPP, which has been approved by the Florida Public Service Commission (FPSC) and is intended to protect and strengthen transmission and distribution infrastructure from extreme weather conditions, reduce outage times and restoration costs, and improve overall service reliability to customers. The following is a list of all programs included in the SPP:

1. Distribution Inspection Program
The FPL Distribution Inspection Program was approved as part of FPL's 2020-2029 SPP and 2023-2032 SPP. The Distribution Inspection Program is an eight (8)-year pole inspection cycle for all distribution poles that targets approximately 1/8 of the system annually (the actual number of poles inspected can vary somewhat from year to year).

2. Transmission Inspection Program
The FPL Transmission Inspection Program was approved as part of FPL's 2020-2029 SPP and 2023-2032 SPP. Under this program, FPL inspects transmission circuits, substations, and other equipment on a cyclical basis. FPL performs a climbing or bucket truck inspection on a six (6)-

year cycle for all wooden transmission poles/structures and on a ten (10)-year cycle for all concrete or steel transmission poles/structures. All of FPL's transmission structures, including substation equipment, are visually inspected each year. Transmission structures that do not pass inspection are designated for repair or replacement.

3. Distribution Feeder Hardening Program
The FPL Distribution Feeder Hardening Program was approved as part of FPL's 2020-2029 SPP and 2023-2032 SPP. Under this program, FPL hardens existing distribution feeders and certain critical distribution poles, as well as designs and constructs new pole lines and major planned work, to meet the National Electrical Safety Code's ("NESC") extreme wind loading criteria ("EWL").

4. Distribution Lateral Hardening Program
The FPL Distribution Lateral Hardening Program was approved as part of FPL's 2020-2029 SPP and 2023-2032 SPP. Under this program, FPL targets certain overhead laterals that were impacted by recent storms and have a history of vegetation-related outages and other reliability issues for conversion from overhead to underground.
The FPL Distribution Lateral Hardening Program also includes protocols for evaluating when laterals may be overhead hardened as opposed to being placed underground.

5. Transmission Hardening Program
The FPL Transmission Hardening Program was approved as part of FPL's 2020-2029 SPP and 2023-2032 SPP. Under this program, FPL hardens transmission structures, substations, and other equipment to ensure a more storm resilient transmission system. As part of the Transmission Hardening Program, FPL will replace all wood transmission structures with steel or concrete structures throughout its service area.

6. Distribution Vegetation Management Program
The FPL Distribution Vegetation Management Program was approved as part of FPL's 2020-2029 SPP and 2023-2032 SPP. This program consists of a system-wide three (3)-year average vegetation maintenance cycle for feeders; mid-cycle targeted vegetation maintenance for certain feeders; six (6)-year average vegetation maintenance cycle for laterals; and continued education of customers through its Right Tree, Right Place initiative.

7. Transmission Vegetation Management Program
The FPL Transmission Vegetation Management Program was approved as part of FPL's 2020-2029 SPP and 2023-2032 SPP. This program is necessary to comply with the North American Electric Reliability Corporation's ("NERC") vegetation management standards and requirements. The Transmission Vegetation Management Program includes visual and aerial inspections of transmission line corridors, Light Detection and Ranging ("LiDAR") inspections of NERC transmission line corridors, development and execution of annual work plans to address identified vegetation conditions, and identifying and addressing priority and hazard tree conditions prior to and during storm season.

8. Substation Storm Surge/ Flood Mitigation Program
FPL's Substation Storm Surge/Flood Mitigation Program was approved as part of FPL's 2020-2029 SPP and 2023-2032 SPP. FPL has identified certain substations located in areas throughout its service area that are susceptible to storm surge or flooding during extreme weather events. Under this program, FPL plans to raise the equipment at certain substations above the flood level and/or construct flood protection walls around the substations to prevent/mitigate future damage due to storm surges and flooding.

The SPP selection and prioritization criteria is applied by FPL on a non-discriminatory basis throughout FPL's service area in order to address the worst performing circuits first based on actual historical experience. Specifically, the program analyzes data from power line performance during previous named storms, outages on power lines due to vegetation issues, and performance of power lines during day-to-day operations to identify neighborhood power lines

(laterals) that are most affected according to the metrics.

FPL has evaluated every neighborhood power line (lateral) in its service territory, including an assessment of Miami Beach lateral power lines. Based on FPL's criteria and metrics, it was the understanding of the Administration that FPL does not expect to complete any Distribution Lateral Hardening projects in Miami beach during 2024.

The Public Works Department engaged in discussions with FPL and Stantec about the program and the alternative voluntary community led conversion process where the City would need to agree to pay the costs associated with the undergrounding of neighborhood lateral power lines within Miami Beach.

Based upon the available information, the Administration continues to recommend to have its neighborhood lateral power lines converted from overhead to underground through FPL's SSUP. In 2023, sponsoring Commissioners, Arriola and Meiner requested a referral to the Land Use and Sustainability Committee (LUSC) to further discuss the program, potential resident eligibility and appropriate steps the Administration and/or City Commission would need to take to participate.

At its June 20, 2023 LUSC meeting, FPL representatives presented a PowerPoint Presentation on the undergrounding program. A motion was made to continue the item to the September 27, 2023 meeting with the following direction:

a.) Have the Administration explore retaining an engineering consultant to navigate the FPL process, including potential benefits. In August 2023, Public Works issued a notice to proceed to Stantec to perform consulting services necessary for the FPL SSUP Program.

b.) Have Public Works coordinate with FPL to obtain all relevant and available information specific to Miami Beach as it pertains to eligibility for undergrounding and related improvements. FPL gathered the requested information and presented it at the September 27, 2023 LUSC.

At its September 27, 2023 LUSC meeting, FPL presented an updated PowerPoint presentation on the underground program. A motion was made to continue the discussion to the October 11, 2023 LUSC, which was deferred per FPL's request. At the October 2023 meeting, sponsoring Commissioners Arriola and Meiner requested that, since their official term would be completed the following month, that Commissioners Dominguez and Fernandez be added as new sponsors, to continue this discussion.

At its May 1, 2024 meeting, FPL presented a PowerPoint presentation on their Storm Protection Plan. At the end of the discussion, a motion was made to move the item to the City Commission, with a favorable recommendation to adopt the Resolution accompanied in this memo, directing the Administration to work with FPL to accomplish the undergrounding of utilities within the City in accordance with the FPL's Storm Protection Plan and such other programs as may be approved by the Florida Public Service Commission, and to work with FPL on all other planned improvements to protect and strengthen transmission and distribution infrastructure from extreme weather conditions, reduce outage times and restoration costs, and improve overall service reliability to customers.

FISCAL IMPACT STATEMENT

No fiscal impact.

Does this Ordinance require a Business Impact Estimate?
(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on . See BIE at:
https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/

FINANCIAL INFORMATION

N/A

CONCLUSION

The Administration recommends approving the resolution.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Yes

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s): N/A

Department

Public Works

Sponsor(s)

Mayor Steven Meiner
Commissioner Laura Dominguez
Commissioner Alex Fernandez

Co-sponsor(s)

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE LAND USE AND SUSTAINABILITY COMMITTEE AND DIRECTING THE CITY ADMINISTRATION TO WORK WITH FLORIDA POWER AND LIGHT (FPL) TO ACCOMPLISH THE UNDERGROUNDING OF UTILITIES WITHIN THE CITY IN ACCORDANCE WITH THE FPL STORM PROTECTION PLAN AND SUCH OTHER PROGRAMS AS MAY BE APPROVED BY THE FLORIDA PUBLIC SERVICE COMMISSION, AND TO WORK WITH FPL ON ALL OTHER PLANNED IMPROVEMENTS TO PROTECT AND STRENGTHEN TRANSMISSION AND DISTRIBUTION INFRASTRUCTURE FROM EXTREME WEATHER CONDITIONS, REDUCE OUTAGE TIMES AND RESTORATION COSTS, AND IMPROVE OVERALL SERVICE RELIABILITY TO CUSTOMERS.

WHEREAS, since the historic hurricane seasons of 2004-2005, Florida Power and Light ("FPL") has launched several "hardening" initiatives across the State of Florida in order to protect and strengthen transmission and distribution infrastructure from extreme weather conditions, reduce outage times and restoration costs, and improve overall service reliability to customers; and

WHEREAS, these initiatives are set forth in FPL's Storm Protection Plan ("SPP") approved by the Florida Public Service Commission ("FPSC"), as may be amended or modified from time to time upon approval by the FPSC; and

WHEREAS, included in FPL's current FPSC-approved SPP is the Distribution Lateral Hardening Program ("Lateral Hardening Program"), whereby FPL targets certain overhead laterals that were impacted by recent storms and have a history of vegetation-related outages and other reliability issues for conversion from overhead to underground; and

WHEREAS, an analysis conducted by FPL after the 2023 storm season demonstrated significantly better performance of underground laterals compared to overhead laterals, with underground neighborhood lines performing approximately 12 times better following Hurricane Idalia; and

WHEREAS, timelines for Lateral Hardening Program projects are dictated by prioritization criteria approved by the FPSC, which currently include: power line performance during previous named storms, outages on power lines due to vegetation issues, and performance of power lines during day-to-day operations; and

WHEREAS, currently, more than 50% of FPL customers in the City of Miami Beach (the "City") already receive their power via underground service; and

WHEREAS, the City currently has several overhead lateral lines currently projected to be converted to underground as part of FPL's Lateral Hardening Program by 2031, which estimate may change based on application of the FPSC-approved prioritization criteria or future modifications to the SPP (as may be approved by the FPSC); and

WHEREAS, the City reserves the right to opt out of the Lateral Hardening Program and instead may voluntarily agree to pay the costs associated with undergrounding these laterals through a community-led process in which the City would lead the project; and

WHEREAS, in a community-led undergrounding process, all up-front costs are paid by the City, which the City would recover through the implementation of one or more special assessment districts; and

WHEREAS, if the City elects to implement one or more special assessment districts to recover the upfront costs associated with community-led undergrounding process, each property owner must either pay the full cost of the assessment upfront or over a ten-year period, which adds a financing cost; and

WHEREAS, conversely, if the City declines to voluntarily pursue a community-led undergrounding process, there are no upfront out-of-pocket costs required for converting these overhead laterals to underground, which may be converted to underground in accordance with the Lateral Hardening Program included in FPL's SPP, which may be amended from time to time upon FPSC approval; and

WHEREAS, upon FPSC approval, all costs incurred under FPL's SPP, including costs associated with the Lateral Hardening Program, are allocated to and recovered from all FPL customers systemwide through a Storm Protection Plan Cost Recovery Charge, which is reviewed and reset annually by the FPSC; and

WHEREAS, for a typical residential 1,000-kWh customer, the Storm Protection Plan Cost Recovery Charge was less than $4 a month in 2023; and

WHEREAS, by declining to pursue a community-led undergrounding process for the City's overhead utilities, there would be no need for the City to lead the project or impose new taxes on residents; and

WHEREAS, based on the foregoing, the City Commission proposes to not pursue a community-led undergrounding process for the City's overhead utilities (unless a neighborhood specifically requests to create a special assessment district to fund underground conversion for that neighborhood) and, instead, the City Commission elects to have the City's overhead laterals converted, as applicable, through the Lateral Hardening Program included in FPL's SPP, as may be amended from time to time upon FPSC approval, which will avoid imposing new taxes on City residents; and

WHEREAS, the City Commission recognizes that implementing the Lateral Hardening Program and such other FPSC-approved projects related to overhead-to-underground electric infrastructure conversion and hardening are subject to changes based on actual conditions experienced and requirements or modifications adopted by the FPSC; and

WHEREAS, the City Commission is committed to continue working with FPL to facilitate any potential SPP projects, which includes the lateral hardening, distribution and transmission inspections, feeder hardening, transmission hardening, vegetation management, and flood mitigation projects in order to strengthen the City's energy grid and increase service reliability for residents.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:

SECTION 1. That the foregoing recitals are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon the adoption hereof.

SECTION 2. That the City Commission hereby directs staff to work expeditiously with FPL to facilitate the successful implementation of SPP projects citywide. This includes, but is not limited to, preparing a utilities relocation agreement with FPL, developing an enhanced and expedited permitting process for SPP projects, providing the public with information about upcoming SPP projects as it becomes available from FPL, and working with telecommunications providers and other overhead non-electric utilities to underground their infrastructure.

PASSED and **ADOPTED** this _____ day of _____, 2024.

ATTEST:

_____
Steven Meiner, Mayor

_____
Rafael E. Granado, City Clerk

APPROVED AS TO FORM AND
LANGUAGE AND FOR EXECUTION

_____ 6/17/2024
City Attorney NK Date