

Underground Utilities on Perdido Key (Updated April 2023)

When driving from Orange Beach to Perdido Key one is struck by the miles of overhead electrical wires on the Key, an unflattering introduction to Florida and one of the most beautiful beach areas in the country. Perdido Key developments like Lost Key, Parasol and Sharp Reef have underground utilities, but most public roads – notably Perdido Key Drive and River Road – have overhead wires. Perdido Key community involvement is needed to encourage Escambia County leadership to consider underground electrical utilities for our island.

The aesthetic appeal of underground utilities is undeniable. The 2015 Perdido Key Property Owners Survey conducted by the Perdido Key Association (PKA) showed 87.6% of those responding agreed or strongly agreed that underground utilities would improve the appearance of the Key. Underground utilities are also shielded from strong winds that can topple utility poles and cause trees to fall on power lines. Although barrier islands like Perdido Key are susceptible to overwash from severe storms and repair of underground components can take longer than above ground, in 2016 Florida Power & Light (FPL) manager of overhead to underground conversion John Lehr stated: “Whether it’s on the mainland or the barrier island, the more that (power) circuit is placed underground, the more reliable our data shows.”¹

Nearby beach area communities have all been moving toward underground utilities. Orange Beach has been systematically placing electrical utilities underground since Hurricane Ivan in 2004. Customers are charged \$5.25 monthly on utility bills to help finance the project. According to City Administrator Ken Grimes, the surcharge generates about \$85,000 monthly for underground utility work. Residents in Gulf Shores are charged \$5 on monthly utility bills to support undergrounding electrical utilities. “That was a big reason we were able to get power to so many customers quickly [following Hurricane Sally],” said Gulf Shores spokesperson Grant Brown. “Once we got (energy producer) Power South to re-establish the actual power to substations, Baldwin EMC was able to light up a lot of people quickly because there was no tree damage with underground power.”² Pensacola Beach had some utilities placed underground in 1994/95 and completed undergrounding most of its main roads following Ivan in 2006. Gulf Breeze plans on spending almost \$16 million to underground utilities by 2027.³

In 2016 Gulf Power estimated undergrounding Perdido Key utilities would cost upwards of \$15 million. Although inflation has raised prices for most projects, undergrounding may now cost less in relative terms because direct cable burial could be used instead of laying pipes or constructing tunnels for the cables. Regrettably, current service provider FPL has been replacing wooden utility poles with concrete ones on Perdido Key as a storm hardening measure rather than moving toward underground utilities. While the labor for installation is a sunk cost, concrete utility poles can be reused.

Federal aid for undergrounding could be considered through the “Addressing Needs of Transmission Lines” portion of the 2022 “Infrastructure Investment and Jobs Act (IIJA).” Funds

may also be available through RESTORE and TRIUMPH programs from Deepwater Horizon oil spill penalties. Another source could be Escambia County's Tourist Development Tax which can fund infrastructure to boost tourism, as underground utilities would likely do. In addition, 2019 Florida Statute SB 796 "Public Utility Storm Protection Plans" requires utilities to create 10 year storm protection plans and allows them to recover cost through charges separate from base rates.⁴ Perdido Key property owners might also agree to help fund underground utilities through a Municipal Service Benefit Unit (MSBU) with non-ad valorem tax assessments for property within the benefit area. The 2020 Perdido Key Property Owners Survey indicated 78.5% of property owners would pay at least \$10 monthly for underground utilities.

The way ahead could include creation of an "action committee" of appropriate stake holders, such as representatives from government, community and business organizations and area utilities to facilitate the process. As a first step, County officials could contact FPL Northwest Florida's Storm Hardening Manager Jeff Rouillier (jeff.rouillier@nexteraenergy.com / 850 333-6411) for greater insight on a Perdido Key undergrounding project.

Underground utilities on Perdido Key should create new business opportunities to support increased tourism and could possibly raise commercial and residential property values as well. They would be a terrific infrastructure upgrade to Perdido Key and worthy of extensive community support.

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¹September 04, 2016 *Palm Beach Daily News* article "FPL exec: Underground reliability same for barrier island, mainland" by David Rogers at <https://www.palmbeachdailynews.com/story/news/local/2016/09/04/fpl-exec-underground-reliability-same/9643808007/>

²September 29, 2020 *Government Technology* article "Alabama's Power Grid Reimage After Hurricane Sally Includes Solar" by Alabama Media Group, Birmingham's John Sharp at <https://www.govtech.com/em/safety/alabamas-power-grid-reimage-after-hurricane-sally-includes-solar.html>

³July 02, 2021 *Pensacola News Journal* article "Gulf Breeze will spend \$18 million to put power lines underground, build overpasses" by Annie Blanks at <https://www.pnj.com/story/news/2021/07/02/gulf-breeze-spend-18-million-bury-power-lines-build-overpasses/7823707002/>

⁴June 28, 2019 *Utility Dive* article "Florida mandates 10-year storm protection plans for utilities, sparking cost concerns" by Robert Walton at <https://www.utilitydive.com/news/florida-mandates-10-year-storm-protection-plans-for-utilities-sparking-cos/557863/>