Beaches Energy Services

Organization

Beaches Energy Services provides electric service to more than 36,000 customers and 24-hour customer service and outage restoration. The Department is responsible for designing, constructing, operating, and maintaining electric and natural gas facilities in Jacksonville Beach, Neptune Beach, Ponte Vedra Beach, and Palm Valley.

Administration ensures the Department's compliance with accounting and budgetary policies and controls concerning disbursements, purchasing, payroll, and other financial matters. The Division provides overall direction and policy for the Department's daily operations.

Engineering plans and designs transmission, substation, distribution, and communication systems. The Division monitors and administers regulatory compliance activities.

Relay/Substation maintains the electric substations and associated protection systems.

Construction & Maintenance constructs and maintains the overhead and underground facilities in transmission and distribution systems.

System Operations monitors and operates the electric system according to industry standards and regulatory compliance. The division provides a 24-hour dispatch center for emergency response and customer service.

Regulatory Compliance monitors and ensures regulatory compliance with NERC guidelines. The Regulatory Compliance Officer reports to the Department Director and the City Manager.

Natural Gas This division oversees contract management, administration, and all aspects of natural gas delivery. It includes the Administration Division, external contractors, and Florida Gas Utility (FGU).

Meter Services provides support services for all meter reading and meter service functions.

Department Mission Statement

To provide reliable energy services at a competitive price with superior customer service that is "Above and Beyond the Expected."

Goals for FY2026

The City Council is tasked with setting the Priorities, Goals, and Objectives (PGOs) of the Strategic Plan (Plan). Specific departmental goals are to be implemented by the Department Directors.

Strategic Plan Priority, Goal, and Objectives

- P4.G2.O1-03 – Establish policies for raising utilities during repair or replacement.
- P4.G1.O1-03 – Establish a rate stabilization account for natural gas cost recovery.

Department Goals – FY2026

- To maintain Diamond Level service for Beaches Energy customers. Beaches Energy Services was awarded the Diamond Level Reliable Public Power (RP3) designation by the American Public Power Association for 2023–2026, the highest honor in the program. This recognition is based on leading industry practices in Reliability, Safety, Workforce Development, and System Improvement. In the most recent evaluation, Beaches Energy achieved a perfect score of 100 for the first time. This marks the fourth consecutive Diamond designation, and we remain committed to continuous improvement as we work toward earning this distinction again in 2027.

- Maintain residential electric rates per 1,000 kWh that are below the state average and the investor-owned electric utilities in the state.

- Maintain an average outage time (SAIDI) of 50% less than the average annual survey results for participating medium and large-sized FMPA cities and the investor-owned utilities in Florida.

- Maintain an outage frequency of the average outage time per customer (SAIFI) 25% below the state average for all municipal and investor-owned electric utilities.

- Attain a zero-employee loss time accident rate by promoting a safety and training culture.

- Continue to implement planned elements of the Beaches Energy Strategic Operational Business Plan.

- Finalize, in collaboration with FMPA and GDS Associates, a comprehensive 10-year Capital, Operational, and Maintenance (COM) Plan that advances strategic rate design initiatives and evaluates the net metering policy to inform future investments.

Recent Accomplishments/Highlights

✓ Beaches Energy Services' residential rate for 1,000 kWh remained below the State average by 76.95% (see below).

Various Substation/Relay major projects that were completed during the fiscal year:

Sampson Substation:

✓ Replaced electromechanical differential relays on Transformer TR-1 and 230kV Bus 1 with microprocessor-based relays.
✓ Installed new microprocessor differential relays on 138kV Bus 1.
✓ Upgraded protective relays on the 230kV transmission line between JEA's Switzerland Substation and Beaches Energy Services' Sampson Substation to microprocessor relays, incorporating redundant high-speed fiber-optic communications.
✓ Upgraded all communications equipment to newer, more secure and redundant high-speed fiber optics.

Butler Substation:
- ✓ Initiated service life extension work and repainting of Transformer TR-2.

Jacksonville Beach Substation:
- ✓ Began replacing failed and end-of-life distribution circuit breakers.

Transmission System:
- ✓ Replaced four transmission poles identified for urgent replacement during prior inspections.
- ✓ Replaced hardware and support components on seven additional poles.

Other related substation work:
- ✓ Ongoing replacement of deteriorated junction boxes used in metering and protection circuits at multiple substations with stainless steel enclosures.

Key Accounts:
- ✓ We also added the ability to remotely control and monitor the status and performance of the Baptist Medical Center Beaches automatic transfer switch.

These projects will be completed by the end of the current fiscal year, continuing our strategy of placing lines underground and replacing all wood poles with concrete.

- Jacksonville Drive and Isabella Blvd overhead to underground conversion projects (Jacksonville Beach)
- Linkside Circle cable replacement (Ponte Vedra Beach)
- Seawinds Lane cable replacement (Ponte Vedra Beach) - design completed
- Arden Way and Tanglewood Rd and vicinity overhead to underground - design completed

Other accomplishments:

- ✓ We are on track to have the external electric outage map available to customers by the 4th quarter of FY2025. Publishing the map externally has been delayed due to a temporary increase in workload within our Information Services Department.
- ✓ We continue to maintain our electric outage duration time below the average of selected FMPA members (large and extra-large) and the investor-owned utilities in the state. FMPA member utilities in our category had an average SAIDI (System Average Interruption Duration Index) of 217.2 minutes, while our SAIDI was 50.07 minutes.

Beaches Energy Services

System Reliability

2024 Calendar Year Distribution Reliability Indices								
	FL Municipals	FPL	TECO	Duke	FPUC	Average	Beaches Energy	Difference
Average Minutes Out per Customer	84.35	46.20	108.74	69.90	776.82	217.20	50.07	**-76.95%**
Average # of Times Out per Customer	0.96	0.55	1.04	0.83	2.79	1.23	0.66	**-46.52%**

Beaches Energy Performance Measures	Actual FY2023	Actual FY2024	FY2025 as of 3/31	FY2026 Target
COST				
Residential rates for 1000 kWh – maintain below the State average	Yes	Yes	Yes	Yes
Employee lost time accidents	3	1	0	0
RELIABILITY				
Annual average outage time per customer. **(reported by calendar year)**	36.48	50.07	5.37	Less than 50% of FMPA-IOU Average
Apprentices in Training	11	11	11	Progress in program
Annually review and update the capital expenditure plan to ensure alignment with system reliability, regulatory requirements, and long-term infrastructure goals	Yes	Yes	In progress	Progress in program

Cost

- Beaches Energy Services' residential rate for 1,000 kWh remains below the State average (see rate schedule below).
- Beaches Energy will evaluate the current rate structure, rates, and net metering rates, which include the operations and maintenance, demand, and power cost portions of the total rate in the net metering refund calculation. We aim to ensure a fair and equitable distribution of costs and benefits among all customers, promoting a sustainable and balanced energy policy for the entire community.
- In 2024, the United States' natural gas market experienced notable shifts in both production and consumption. Natural gas consumption reached a record high, increasing by 1.6% compared to the previous year. However, this rise in demand was met with a slight decline in supply, as dry natural gas production fell by 0.6% relative to 2023 levels, according to the

American Gas Association. Despite this production dip, natural gas prices remained relatively low, with Henry Hub spot prices averaging around $2.20 per million British thermal units (MMBtu), largely due to high inventory levels and mild weather conditions, as reported by the U.S. Energy Information Administration (EIA).

- Looking ahead to 2026, the EIA forecasts a 4% increase in natural gas demand, driven primarily by an expected 18% surge in exports—both via pipeline and as liquefied natural gas (LNG). Corresponding with this anticipated rise in demand, the EIA also projects that the average Henry Hub spot price will climb significantly, reaching approximately $4.20 per MMBtu. This suggests a tighter market ahead, with stronger export activity exerting upward pressure on domestic prices.
- The city has a substantial investment in power generation through membership in the Florida Municipal Power Agency (FMPA). Most of the electricity generated in Florida, and through FMPA, is by natural gas generation, with some investment in nuclear and solar generation. Beaches Energy has also invested in solar energy by participating in a Community Solar Project with twelve other municipal electric utilities. This joint effort, known as the Florida Municipal Solar Project, is one of the largest municipal-backed solar projects in the United States. Approximately 900,000 solar panels were installed on three solar sites in Osceola and Orange Counties. Combined, the two solar sites total approximately 1,200 acres, or the equivalent of 900 football fields filled with solar panels. Total output is 223.5 megawatts at peak, which is enough energy to power 45,000 typical Florida homes. Each solar site generates 74.5 megawatts. Working together, we can collectively build larger, more efficient solar installations. The **power output from this project is equal to 37,250 average-size rooftop solar systems**. Another benefit of this project is that there was no up-front cost to the cities for participating. We only pay for power when it is produced. In addition, the ground-mounted solar panels for this project were installed with a computer-controlled tracking system to follow the sun daily as it moves from east to west, maximizing power output. As a result, **the cost of solar energy from this project is about one-third the cost of a typical private, rooftop system**. Power began flowing from the two projects in June 2020.
- Currently, Beaches Energy receives 7 MW of energy from the Harmony Solar Project (2020 commercial operation) in Osceola County and receives an additional 7.5 MW from the Rice Creek Solar Project in Putnam County, which began commercial operation in January 2025.

Current Beaches Energy fuel mix to generate electricity for our customers:

FMPA All Requirements Project Fuel Mix - Current Fiscal Year	
Natural Gas	84.73%
Coal	8.33%
Nuclear	4.11%
Renewable	1.23%
Contracts/Other	1.61%
Total	**100.00%**

Beaches Energy Services

Rates

Beaches Energy Services continues to meet its goal of keeping its rates below the state average

*1000kWH FMEA May 2025 published rates

** Local taxes estimated at 6%

*** FPL uses an inclining block rate over 1,000 kWh

**** JEA has an additional 3% franchise fee and a 10% public service tax

Location	1000 kWH Base Rate	1000 kWH Total *	Add Local Taxes & Fees	Adjusted Total with Taxes & Fees
Duke Energy **	$137.69	$173.99	$21.51	$195.50
Tampa Electric **	97.47	125.99	55.91	181.90
Florida Public Utilities	51.36	127.62	41.35	168.97
Ocala	121.26	149.41	14.94	164.35
Fort Meade	94.56	144.56	14.46	159.02
FPL Northwest	107.71	131.79	25.39	157.18
Havana	141.20	156.89	0.00	156.89
Blountstown	146.25	146.25	7.31	153.56
Tallahassee	99.73	137.38	13.74	151.12
Gainesville	101.60	136.60	13.66	150.26
Key West	143.15	150.00	0.00	150.00
JEA****	85.96	130.62	16.98	147.60
Williston	117.85	140.15	7.01	147.16
Florida Power & Light ** ***	98.50	122.58	24.25	146.83
Leesburg	107.94	132.94	13.29	146.23
Green Cove Springs	135.19	145.19	0.00	145.19
Wauchula	124.00	130.50	13.05	143.55
Newberry	119.33	129.33	12.93	142.26
State Average	102.84	128.51	12.90	141.41
St. Cloud	89.78	130.00	10.40	140.40
Moore Haven	89.55	125.05	12.51	137.56
Orlando	86.33	125.00	12.50	137.50
Winter Park	89.29	124.83	12.48	137.31
Fort Pierce	124.79	124.79	12.48	137.27
Starke	75.95	124.65	12.47	137.12
Lake Worth Beach	90.22	122.01	12.20	134.21
Quincy	98.41	131.41	0.00	131.41
Clewiston	93.51	118.51	11.85	130.36
Kissimmee	144.33	118.50	9.48	127.98
Bartow	64.16	113.92	11.39	125.31
Bushnell	100.65	113.65	11.37	125.02
Lakeland	69.24	110.74	11.07	121.81
Mount Dora	64.95	109.85	10.99	120.84
Beaches Energy	95.74	119.79	0.00	119.79
Homestead	84.60	108.60	10.86	119.46
Chattahoochee	111.95	117.84	0.00	117.84
New Smyrna Beach	98.41	104.41	9.66	114.07
Alachua	102.54	99.54	9.95	109.49

Florida Municipal Power Agency and the Cost of Power

The Florida Municipal Power Agency (FMPA) is a wholesale power agency owned by municipal electric utilities. FMPA's mission is to provide low-cost, reliable, and clean power, plus value-added services for FMPA's owner-customers that benefit their communities and customers. FMPA serves 32 of the 33 municipal electric utilities located across the state. The City of Jacksonville Beach joined the FMPA on May 1, 1986, and is a member of the All-Requirements Project (ARP). All-Requirements is FMPA's largest power supply project and serves all the power needs of 13 cities from a variety of power-generating units. By working together through FMPA, municipal utilities can enhance their operations for the benefit of their customers. FMPA's primary purpose is to create joint power supply resources, such as power plant ownership. In addition, the cities work together on a variety of joint efforts to enhance the cost, reliability, and operations of their electric systems. Current long-range load projection studies indicate FMPA has adequate generation resources for the next 10 years.

Beaches Energy Services, in partnership with the 31 other municipal utility members, recently conducted a review of FMPA's mission, values, and strategic priorities. The Board and ARP Executive Committee agreed upon and committed to the following strategic priorities:

- Advocate for an abundant natural gas supply and pipeline expansions to keep costs low
- Begin engaging in discussions to explore viable alternative resource opportunities to include nuclear power
- Explore expanding membership in the Florida Power Pool to maximize member value and reduce costs
- Evaluate capital funding strategies that align debt utilization with competitive rates
- Develop a systematic approach to mitigating exposure to risk associated with volatile natural gas pricing
- Continue our commitment to high availability for FMPA's low-cost generating resources

Additionally, we have expanded our generation portfolio through the acquisition of two natural gas combined-cycle power plants in Central Florida. The **Sand Lake Energy Center** in Orlando, with a capacity of 120 MW, began operations under FMPA in February 2024. This was followed by the **Mulberry Energy Center** in Bartow, a 115 MW facility, which came online in August 2024. Previously operating under long-term power purchase agreements, both facilities are now fully owned and operated by FMPA and are available for immediate dispatch. They supply electricity to 13 Florida communities, including Beaches Energy. These assets are recognized for their high availability and strong operational performance and will contribute significantly to FMPA's mission of delivering affordable, reliable, and lower-emission power as the agency continues its transition away from coal-fired generation. A third facility near Bartow is scheduled to be integrated into the fleet in January 2026, further supporting FMPA's long-term strategic generation plan.

Beaches Energy Services has continuing goals of maintaining electric rates below the State average and providing reliable service to our customers that exceeds their expectations. In addition to the ongoing conservation and energy efficiency programs, Beaches Energy Services will continue to explore new measures and programs that provide value to our customers.

Regulatory Issues

Reliability Standards

Beaches Energy Services has undergone dramatic regulatory changes that continue to evolve. Regulatory mandates to improve the reliability of the bulk electric system are placing more requirements on our resources. NERC (North American Electric Reliability Corporation) and SERC (Southeastern Electric Reliability Council) work in concert to propose and enforce reliability standards that influence the operations of transmission providers in Florida. Beaches Energy Services is solely responsible for 47 different NERC reliability standards but also must review new and revised standards constantly to ensure that we are compliant. During the past years, 74 different standards were reviewed.

Transmission

As a transmission owner, Beaches Energy Services must comply with NERC and SERC reliability standards to avoid financial penalties. To maintain zero-defect compliance, Beaches Energy Services must establish a comprehensive process to continuously monitor industry developments and implement cost-effective measures in response to regulatory requirements.

Critical Infrastructure Protection

Effective July 1, 2016, Beaches Energy Services assumed responsibility for operating its transmission system under the stricter Critical Infrastructure Protection (CIP) Version 5 standards established by NERC. This updated version introduced a significant shift in the approach and measurement of compliance, requiring cybersecurity assets to be identified and aligned with each organization's specific risks, including threats, vulnerabilities, and risk tolerances. The CIP framework consists of 11 standards designed to ensure the reliable operation of the bulk electric system.

Regulatory Requirements and Transmission Operations

To mitigate the impact of Critical Infrastructure Protection Version 5 (CIP5), Beaches Energy Services partnered with the Orlando Utilities Commission (OUC) and Kissimmee Utility Authority (KUA) in 2015. Through this partnership, OUC provides Transmission Operations and Contingency Analysis services for Beaches Energy Services. In 2025, Lake Worth Beach joined as a new member of the collaboration.

Modernizing Electric System Infrastructure

Ensuring the reliability and security of electric service is fundamental to Beaches Energy Services' operations. A comprehensive field inventory of assets has been completed, providing an accurate assessment of the age, condition, and configuration of the existing distribution system. In response, programs have been developed to address maintenance needs and underground cable replacement systematically. These initiatives establish the detailed processes necessary to manage aging infrastructure and enhance service reliability. Over the next five years, as outlined in the Beaches Energy Services Capital Improvement Plan, the primary focus will remain on strengthening the transmission system, substation systems, and underground distribution network, along with hardening overhead systems where underground placement is not feasible.

Natural Gas

Beaches Energy Services owns the natural gas distribution system within Beaches Energy Services' territory except for a small system located along Atlantic Boulevard operated by TECO Peoples Gas Company. The system is primarily for commercial customers along the main gas line route. It was designed to provide approximately 3,000,000 therms annually to our customers. During the calendar year 2024, 519 customers purchased 2,240,682.99.
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Natural gas service began in June 2010 and customers will continue to be connected as the system expands. Beaches Energy Services utilizes Tampa Electric Company (TECO) to provide engineering design, construction management, operations, and maintenance of the natural gas system. Natural gas procurement and supply management are now provided through Florida Gas Utility (a State Joint Action Agency of which Beaches Energy is a member), as we felt they offer better value to Beaches Energy and its customers.

FL Public Gas System Name	Customers as of 12/31/2024	2024 System Total Throughput (DTh)
Pensacola Energy	46,782	3,984,146
Clearwater Gas System	31,897	2,490,310
Lake Apopka Natural Gas District	29,763	2,235,524
Leesburg, City of	22,183	808,086
Sunrise Gas System	9937	640,315
Lake City Regional Utilities	2,310	654,062
Fort Pierce Utilities Authority	4,132	537,316
Milton Natural Gas System	4,911	360,233
Beaches Energy Services	489	226,741
Perry Gas Division	1,387	214,813
Marianna, City Of	1,230	207,591
DeFuniak Springs Natural Gas	1,385	179,308
Palatka Gas Authority	3,970	151,556
Live Oak, City of	1,014	97,308
Starke Natural Gas Department	599	49,369
Chattahoochee, City of	367	51,577
Madison, City of	805	109,441
Williston, City of	645	51,456
Century, Town of	497	39,339
Blountstown, City of	600	35,713
Chipley Gas Department	570	32,515
Crescent City Natural Gas	1,277	33,331
Jay Utilities	267	13,628

Beaches Energy Services

Financial Summaries by Resource Allocation, Division, and Fund

Resource Allocation	Actual 2024	Original Budget 2025	Budget 2026	Increase-Decrease	% Change
Personal Services	8,983,643	9,143,432	9,829,793	686,361	7.5%
Operating-Energy	58,337,090	64,077,023	64,671,789	594,766	0.9%
Operating-All Other	11,487,560	12,388,801	13,906,981	1,518,180	12.3%
Capital Outlay	7,096,748	13,023,000	12,433,473	(589,527)	-4.5%
Transfers	4,053,070	4,324,286	4,417,891	93,605	2.2%
Total	**89,958,111**	**102,956,542**	**105,259,927**	**2,303,385**	**2.2%**

Division	Actual 2024	Original Budget 2025	Budget 2026	Increase-Decrease	% Change
1201-Purchase of Power	57,595,138	63,018,423	63,621,789	603,366	1.0%
1202-Beaches Energy Administration	13,177,527	14,194,299	14,952,422	758,123	5.3%
1203-Engineering	1,180,045	1,820,020	2,140,569	320,549	17.6%
1204-Relay & Substations	2,337,389	6,098,487	3,798,038	(2,300,449)	-37.7%
1205-Construction & Maintenance	5,317,809	6,134,611	7,114,372	979,761	16.0%
1207-Capital Improvements	4,578,112	3,864,000	4,883,000	1,019,000	26.4%
1212-System Operations	1,902,538	2,796,278	2,265,820	(530,458)	-19.0%
1229-Transmission	1,443,564	2,133,500	3,218,500	1,085,000	50.9%
1231-Conservation & Renewables	420,160	505,170	506,459	1,289	0.3%
1234-Storeroom	14,936	-	-	-	0.0%
1237-Care Fund	74,596	80,000	80,000	-	0.0%
1239-Regulatory Compliance	829,057	1,051,642	1,278,512	226,870	21.6%
1271-Meter Service	1,087,240	1,260,112	1,400,446	140,334	11.1%
Total	**89,958,111**	**102,956,542**	**105,259,927**	**2,303,385**	**2.2%**

Fund	Actual 2024	Original Budget 2025	Budget 2026	Increase-Decrease	% Change
410-Electric Utility	86,569,371	99,117,859	101,113,587	1,995,728	2.0%
411-Natural Gas	2,301,500	2,578,571	2,745,894	167,323	6.5%
541-Meter Service	1,087,240	1,260,112	1,400,446	140,334	11.1%
Total	**89,958,111**	**102,956,542**	**105,259,927**	**2,303,385**	**2.2%**

Operating-All Other: The increase is due to higher costs associated with the FMPA contract and higher internal service charges.

Beaches Energy Services

Authorized Positions

Administration	FY2024	FY2025	FY2026
Director of Beaches Energy Services	1	1	1
Utilities Accountant*	1	1	0
Operations Administrator	1	1	1
Operations Specialist I, II	1	1	1
Division Total	**4**	**4**	**3**
Engineering	**FY2024**	**FY2025**	**FY2026**
Electrical Engineering Supervisor	1	1	1
Electrical Engineering Project Supervisor	1	1	1
Electrical Engineer	2	2	2
Electrical Engineering Tech I, II, III	2	2	2
Division Total	**6**	**6**	**6**
Relay/Substation	**FY2024**	**FY2025**	**FY2026**
Relay / Substation Supervisor	1	1	1
Relay / Substation Crew Leader	1	1	1
Apprentice/Relay Technician	5	5	5
Division Total	**7**	**7**	**7**
Construction and Maintenance	**FY2024**	**FY2025**	**FY2026**
Utilities Superintendent	1	1	1
Construction & Maintenance Supervisor	1	1	1
Line Crew Leader**	8	8	7
Power Quality and Reliability Specialist**	0	0	1
Apprentice/Journey Line Worker	21	21	21
Division Total	**31**	**31**	**31**
System Operations	**FY2024**	**FY2025**	**FY2026**
System Operations Supervisor	1	1	1
System Operations Programmer (NERC Certified)	2	2	2
System Operator (NERC Certified)	6	6	6
System Operator	1	1	1
Division Total	**10**	**10**	**10**
Regulatory and Compliance	**FY2024**	**FY2025**	**FY2026**
Regulatory Compliance Officer	1	1	1
Division Total	**1**	**1**	**1**

Authorized Positions (continued)

Meter Services	FY2024	FY2025	FY2026
Meter Services Supervisor	1	1	1
Meter Technician I, II	2	2	2
Cut-in Cut-out Technician	2	2	2
Meter Reader	6	6	6
Operations Specialist I, II	1	1	1
Utility Locator***	0	0	1
Division Total	**12**	**12**	**13**
Department Total	**71**	**71**	**71**

**Utilities Accountant was reclassified to Budget Analyst FY2026.*

***A position reclassification was approved to add a Power Quality Reliability Specialist to focus on power quality, reliability, and quick response and to eliminate one vacant Line Crew Leader position which was determined to no longer be needed for FY2026.*

****Utility Locator was added due to the increased volume of calls from Telecom and Fiber installations.*