

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

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**BILL #:** [HB 379](#)

**TITLE:** Rural Electric Cooperatives

**SPONSOR(S):** Shoaf

**COMPANION BILL:** [SB 288](#) (Rodriguez)

**LINKED BILLS:** None

**RELATED BILLS:** None

### Committee References

[Economic Infrastructure](#)

16 Y, 0 N



[Commerce](#)

24 Y, 0 N

## SUMMARY

### Effect of the Bill:

The bill clarifies that a rural electric cooperative is not prohibited from adopting policies or taking actions that have the effect of restricting its own choice in the types or fuel sources used to produce the electricity it purchases or generates, but a rural electric cooperative that sells electricity at retail may not adopt fees or policies that restrict or prohibit the types or fuels sources of energy production used or provided by other specified entities.

### Fiscal or Economic Impact:

None

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## ANALYSIS

### **EFFECT OF THE BILL:**

The bill modifies a prohibition on certain actions of [rural electric cooperatives](#) that restrict or prohibit, or that have the effect of restricting or prohibiting, the types or fuel sources of energy production which may be used, delivered, converted, or supplied by specified entities. The bill amends this prohibition to clarify that a rural electric cooperative may govern itself as to the types and fuel sources of energy used to produce electrical power it purchases or generates, but a rural electric cooperative that sells electricity at retail may not take actions that have the effect of restricting another entity's energy choices. (Section [1](#))

To accomplish this, the bill provides that the [prohibition](#) applies only to rural cooperatives that sell electricity at retail and removes public utilities and [electric utilities](#), including all [municipal electric utilities](#) and rural electric cooperatives, from the list of specified entities whose choice in energy production is protected by the prohibition. (Section [1](#))

The bill further clarifies that rural electric cooperatives may not adopt any bylaw, tariff, policy, or fee—including a “lot fee, developer fee, or surcharge”—that restricts or prohibits, or has the effect of restricting or prohibiting, the types or fuel sources of energy production which may be used, delivered, converted, or supplied by the following entities<sup>1</sup> to serve customers that such entities are authorized to serve:

- Entities formed by interlocal agreement to generate, sell, and transmit electrical energy;
- Investor-owned [natural gas utilities](#);
- Gas districts;
- Municipal natural gas utilities;
- Natural gas transmission companies; and
- Certain [liquefied petroleum gas](#) dealers, dispensers, and gas cylinder exchange operators. (Section [1](#))

<sup>1</sup> The bill cites to the entities listed in paragraphs (b)-(e) of [s. 366.032\(1\), F.S.](#)

The bill has an effective date of July 1, 2026. (Section 2)

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### Rural Electric Cooperatives

Rural electric cooperatives<sup>2</sup> are electric utilities that are owned by their members.<sup>3</sup> These private companies are generally nonprofit, with their principal purpose being to deliver electrical service to their members. Rural electric cooperatives are mostly located in rural areas where, at least historically, the return on investment for building or installing electrical infrastructure was not enough to incentivize investor-owned utilities to provide service.<sup>4</sup>

Rural electric cooperatives operate in 57 of Florida's 67 counties and have a total membership of more than 2.7 million customers.<sup>5</sup> In Florida, as in most of the U.S., rural electric cooperatives serve a large percentage of geographic area but have a low customer density. Specifically, Florida cooperatives serve approximately 10 percent of Florida's total electric utility customers, but their service territory covers 60 percent of Florida's total land mass.<sup>6</sup> Each cooperative is governed by a board of trustees elected by the cooperative's membership.<sup>7</sup>

In addition to providing electric service, cooperatives in Florida are authorized to own and operate water and sewer systems.<sup>8</sup> To promote economic development, a cooperative may provide any energy or nonenergy services to its membership.<sup>9</sup>

As of 2025, there were 18 rural electric cooperatives in Florida.<sup>10</sup> Of those 18 cooperatives, 15 are non-generating retail utilities, two are wholesale-only generating utilities, and one is a retail utility capable of generating electricity with a standby generating unit.<sup>11</sup>

#### Electric Utilities

An electric utility is an investor-owned utility, municipally-owned utility, or a rural electric cooperative that owns, maintains, or operates an electric generation, transmission, or distribution system within the state.<sup>12</sup> Fuels that Florida electric utilities use to generate electric power include, but are not limited to: natural gas, nuclear, coal, and renewables like solar and biomass.<sup>13</sup>

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<sup>2</sup> The term "cooperative" is defined in [s. 425.02, F.S.](#), as "[c]ooperative, nonprofit, membership corporations" that are organized "for the purpose of supplying electric energy and promoting and extending the use thereof in rural areas."

<sup>3</sup> The term "member" is defined in [s. 425.03, F.S.](#), and may include "any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision or agency thereof, or any body politic."

<sup>4</sup> University of Wisconsin Center for Cooperatives, *Research on the Economic Impact of Cooperatives*, <https://reic.uwcc.wisc.edu/electric/> (last visited Jan. 9, 2026).

<sup>5</sup> Florida Electric Cooperative Association, *Our History*, <https://feca.com/our-history/> (last visited Jan. 9, 2026).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*; [s. 425.10\(1\), F.S.](#)

<sup>8</sup> [s. 425.04\(4\), F.S.](#)

<sup>9</sup> [s. 425.04\(17\), F.S.](#)

<sup>10</sup> Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, p. 1,

<https://www.floridapsc.com/pscfiles/website-files/PDF/Publications/Reports/General/FactsAndFigures/April%202025.pdf> (last visited Jan. 9, 2026).

<sup>11</sup> Seminole Electric Cooperative and PowerSouth Energy are wholesale-only generating utilities that provide electricity to member distribution cooperatives, and Florida Keys Electric Cooperative is a distribution utility with a standby generating unit. See Florida Public Service Commission, *Statistics of the Florida Electric Utility Industry 2024*, p. 9,

<https://www.floridapsc.com/pscfiles/website-files/PDF/Publications/Reports/ElectricGas/Statistics/2024.pdf> (last visited Jan. 9, 2026).

<sup>12</sup> [s. 366.02\(4\), F.S.](#)

<sup>13</sup> Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 2.

There are four investor-owned electric utilities in Florida: Florida Power & Light Company, Duke Energy Florida, Tampa Electric Company, and Florida Public Utilities Corporation.<sup>14</sup> These investor-owned electric utilities are also “public utilities” as that term is defined in Florida law.<sup>15</sup> Additionally, there are 35 municipal electric utilities and 18 rural electric cooperatives.<sup>16</sup> Further, the Florida Municipal Power Agency was created through a series of interlocal agreements under [S. 163.01, F.S.](#), to provide wholesale power supply to municipal electric utilities.<sup>17</sup>

### Natural Gas Utilities

A natural gas utility is a utility that supplies natural or manufactured gas, or liquefied gas with air admixture, or a similar gaseous substance by pipeline, to or for the public. A natural gas utility can be an investor-owned utility, gas district, or municipal gas utility.<sup>18</sup> Currently, there are five investor-owned natural gas utilities, 27 municipally owned natural gas utilities, and four gas districts.<sup>19</sup> These five investor-owned gas utilities are also “public utilities” as that term is defined in Florida law.<sup>20</sup>

### Liquefied Petroleum Gas

Liquefied petroleum gas is any material which is composed predominately of any of the following hydrocarbons, or mixtures: propane, propylene, butanes, and butylenes.<sup>21</sup> A category I liquid petroleum gas dealer is someone who sells or offers to sell by delivery, or at a stationary location, any liquefied petroleum gas to a consumer for industrial, commercial, or domestic use.<sup>22</sup> A category II liquefied petroleum gas dispenser is a person who operates a liquefied petroleum gas dispensing unit for the purpose of serving liquid products to the consumer for industrial, commercial, or domestic use, and who sells, or offers to sell or lease equipment for the use of liquefied petroleum gas.<sup>23</sup> A category III liquefied petroleum gas cylinder exchange operator is a person who operates a storage facility used for the purpose of storing filled propane cylinders of certain capacities while awaiting sale to the consumer, or a facility used for the storage of empty or filled containers which have been offered for exchange.<sup>24</sup>

### Preemption Over Utility Service Restrictions

Florida law expressly preempts the authority of local governments to restrict utility services.<sup>25</sup> It prohibits a body of local government or other political subdivision of the state from enacting or enforcing any policy, or from taking any action that restricts or prohibits, or has the effect of restricting or prohibiting, the types or fuel sources of energy production which may be used, delivered, converted, or supplied by the following entities to serve customers that these entities are authorized to serve:

- Investor-owned electric utilities;
- Municipal electric utilities;
- Rural electric cooperatives;

<sup>14</sup> Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 4.

<sup>15</sup> The term “public utility” is defined in [S. 366.02\(8\), F.S.](#), to mean “every person, corporation, partnership, association, or other legal entity . . . supplying electricity or gas . . . to or for the public within this state,” but the term does not include rural electric cooperatives, municipal utilities, or certain other specified entities.

<sup>16</sup> Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at 1.

<sup>17</sup> Currently, FMPA serves the following municipalities: Alachua, Bartow, Blountstown, Bushnell, Chattahoochee, Clewiston, Fort Meade, Fort Pierce, Gainesville, Green Cove Springs, Havana, Homestead, Jacksonville, Jacksonville Beach, Key West, Kissimmee, Lake Worth Beach, Lakeland, Leesburg, Moore Haven, Mount Dora, New Smyrna Beach, Newberry, Ocala, Orlando, Quincy, St. Cloud, Starke, Tallahassee, Wauchula, Williston, and Winter Park. Florida Municipal Power Agency, *Members*, <https://fmpa.com/members/> (last visited Jan. 9, 2026).

<sup>18</sup> [S. 366.04\(3\)\(c\), F.S.](#)

<sup>19</sup> Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 14.

<sup>20</sup> [S. 366.02\(8\), F.S.](#), *supra* note 14.

<sup>21</sup> [S. 527.01\(1\), F.S.](#)

<sup>22</sup> This category also includes “any person leasing or offering to lease, or exchanging or offering to exchange, any apparatus, appliances, and equipment for the use of liquefied petroleum gas; any person installing, servicing, altering, or modifying apparatus, piping, tubing, appliances, and equipment for the use of liquefied petroleum or natural gas; any person installing carburetion equipment; or any person requalifying cylinders.” [S. 527.01\(6\), F.S.](#)

<sup>23</sup> [S. 527.01\(7\), F.S.](#)

<sup>24</sup> [S. 527.01\(8\), F.S.](#)

<sup>25</sup> [S. 366.032, F.S.](#)

- Entities formed by interlocal agreement to generate, sell, and transmit electrical energy;
- Investor-owned gas utilities;
- Gas districts;
- Municipal natural gas utilities;
- Natural gas transmission companies; and
- Certain propane dealers, dispensers, and gas cylinder exchange operators.<sup>26</sup>

While the preemption prohibits actions of local government bodies that have restrictive effects on the entities listed above, it does not prevent a municipality or government entity which owns or operates and directly controls an electric or natural gas utility from passing rules, regulations, or policies governing the utility.<sup>27</sup>

Florida law similarly prohibits a rural electric cooperative from adopting or enforcing policies or actions that have the effect of restricting or prohibiting the types or fuel sources of energy production which may be used or supplied by the same entities listed above.<sup>28</sup> However, current law does not provide an explicit protection for a rural electric cooperative to adopt rules and policies governing its own energy choices.

#### RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/SENATE SPONSOR(S)	OTHER INFORMATION
2025	<a href="#">CS/HB 1137</a> - Utility Service Restrictions	Shoaf	Became law on May 20, 2025
2024	<a href="#">CS/CS/HB 1645</a> - Energy Resources	Payne	Became law on July 1, 2024
2021	<a href="#">CS/CS/HB 919</a> - Preemption Over Restriction of Utility Services	Tomkow	Became law on July 1, 2021

#### BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Economic Infrastructure Subcommittee</a>	16 Y, 0 N	1/14/2026	Keating	Rubottom
<a href="#">Commerce Committee</a>	24 Y, 0 N	1/27/2026	Hamon	Rubottom

<sup>26</sup> [S. 366.032\(1\), F.S.](#)

<sup>27</sup> [S. 366.032\(3\), F.S.](#)

<sup>28</sup> [S. 425.041, F.S.](#) The statute protects the types or fuel sources of energy production which may be used, delivered, converted, or supplied by the entities listed in [s. 366.032\(1\), F.S.](#)