FLORIDA HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 379	**COMPANION BILL:** SB 288 (Rodriguez)
TITLE: Rural Electric Cooperatives	**LINKED BILLS:** None
SPONSOR(S): Shoaf	**RELATED BILLS:** None

FINAL HOUSE FLOOR ACTION: 106 **Y's** 1 **N's** **GOVERNOR'S ACTION:** Approved

SUMMARY

Effect of the Bill:
The bill provides that 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

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION

ANALYSIS

EFFECT OF THE BILL:

HB 379 passed as SB 288.

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 apply only to a rural electric cooperative that sells electricity at retail. (Section 1)

The bill further provides that rural electric cooperatives that sell electricity at retail 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[1] to serve customers that such entities are authorized to serve:

- Public utilities and electric utilities, including municipal electric utilities and rural electric cooperatives;
- 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)

The bill was approved by the Governor on April 1, 2026, ch. 2026-21, L.O.F., and will become effective on July 1, 2026.

[1] The bill cites to the entities listed in s. 366.032(1), F.S.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Rural Electric Cooperatives

Rural electric cooperatives[2] are electric utilities that are owned by their members.[3] 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.[4]

Rural electric cooperatives operate in 57 of Florida's 67 counties and have a total membership of more than 2.7 million customers.[5] 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.[6] Each cooperative is governed by a board of trustees elected by the cooperative's membership.[7]

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

As of 2025, there were 18 rural electric cooperatives in Florida.[10] 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.[11]

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.[12] 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.[13]

There are four investor-owned electric utilities in Florida: Florida Power & Light Company, Duke Energy Florida, Tampa Electric Company, and Florida Public Utilities Corporation.[14] These investor-owned electric utilities are also

---

[2] 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."
[3] 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."
[4] University of Wisconsin Center for Cooperatives, *Research on the Economic Impact of Cooperatives*, https://reic.uwcc.wisc.edu/electric/ (last visited Mar. 13, 2026).
[5] Florida Electric Cooperative Association, *Our History*, https://feca.com/our-history/ (last visited Mar. 13, 2026).
[6] *Id.*
[7] *Id.*; s. 425.10(1), F.S.
[8] S. 425.04(4), F.S.
[9] S. 425.04(17), F.S.
[10] 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 Mar. 13, 2026).
[11] 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 Mar. 13, 2026).
[12] S. 366.02(4), F.S.
[13] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 2.
[14] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 4.

"public utilities" as that term is defined in Florida law.[15] Additionally, there are 35 municipal electric utilities and 18 rural electric cooperatives.[16] 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.[17]

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.[18] Currently, there are five investor-owned natural gas utilities, 27 municipally owned natural gas utilities, and four gas districts.[19] These five investor-owned gas utilities are also "public utilities" as that term is defined in Florida law.[20]

Liquified 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.[21] A category I liquid petroleum gas dealer is someone who sells or offers to sell by delivery, or at a stationary location, any liquified petroleum gas to a consumer for industrial, commercial, or domestic use.[22] 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 liquified petroleum gas.[23] A category III liquified 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.[24]

Preemption Over Utility Service Restrictions

Florida law expressly preempts the authority of local governments to restrict utility services.[25] 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;
- Entities formed by interlocal agreement to generate, sell, and transmit electrical energy;
- Investor-owned gas utilities;

---

[15] 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.

[16] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at 1.

[17] 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 Mar. 13, 2026).

[18] S. 366.04(3)(c), F.S.

[19] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 14.

[20] S. 366.02(8), F.S., *supra* note 14.

[21] S. 527.01(1), F.S.

[22] 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.

[23] S. 527.01(7), F.S.

[24] S. 527.01(8), F.S.

[25] S. 366.032, F.S.

- Gas districts;
- Municipal natural gas utilities;
- Natural gas transmission companies; and
- Certain propane dealers, dispensers, and gas cylinder exchange operators.[26]

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.[27]

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.[28] However, current law does not provide an explicit protection for a rural electric cooperative to adopt rules and policies governing its own energy choices.

[26] S. 366.032(1), F.S.
[27] S. 366.032(3), F.S.
[28] 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.