



FMPA History

Background Information on Florida's Municipal Utilities and FMPA

Almost immediately after Thomas Edison demonstrated in 1882 the feasibility of central station electric service in New York City, municipally owned utilities were established. Among the first cities in Florida to recognize power production and distribution as a natural extension of existing public services were Jacksonville, Ocala and Starke. Each of these cities formed publicly owned electric utilities before the turn of the century. A century later, these utilities are still going strong, still in public hands and still providing reliable electricity at a reasonable cost for their consumers.

Today, there are 34 municipal electric systems in Florida, ranging in size from the largest in Jacksonville to the smallest in Moore Haven. Several municipal utilities still generate their own electricity, while some buy power at wholesale from investor-owned utilities, governmental agencies or other municipals.

Each system is locally owned, but Florida's municipal utilities discovered some time ago that they shared many common concerns that can best be solved by working together. Building new power plants is one example of a major decision that can be solved more efficiently through joint action. In most cases, it is cost effective for municipals to build one joint power plant rather than smaller individual units. A larger plant is generally more efficient, and other economies of scale help lower the cost of power.

Local governments are authorized by state statutes to enter together into mutually advantageous agreements, which create separate legal entities (*Florida Statutes Chapter 163.01, as amended, The Florida Interlocal Cooperation Act of 1969*). FMPA was formed February 24, 1978, as one such governmental legal entity. FMPA is specifically authorized under the Joint Power Act (*Florida Statutes Chapter 361, Part II, as amended*) to undertake joint projects for its members and to issue tax-exempt bonds and other obligations to finance the costs of such projects.

Due to the diverse needs of municipal electric systems, FMPA was created as a project-oriented agency. Under this structure, each Agency member has the option whether or not to participate in a project. The FMPA staff explores joint projects, and the results of these investigations are presented to the members. With this information, each utility decides whether to take part in a project and, if appropriate, the amount of power they need. Agency members may participate in more than one project; however, each project is independent from the others, so no revenues or funds available from one project can be used to pay the costs of any other project.

FMPA's membership presently includes 31 municipal electric utilities serving approximately 2 million Floridians. Each member appoints one representative to FMPA's Board of Directors, which governs the Agency's activities. The Agency has five power supply projects. Twenty-one members purchase all or some of their power needs from the Agency. Some members do not currently participate in a project. FMPA supplies more than 40 percent of its members' power needs.

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