

By: Anchia

H.B. No. 4567

A BILL TO BE ENTITLED

AN ACT

relating to money used in and the continuation of the system benefit fund

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sec. 39.903. SYSTEM BENEFIT FUND.

(a) The system benefit fund is an account in the general revenue fund. Money in the account may be appropriated only for the purposes provided by this section or other law. Interest earned on the system benefit fund shall be credited to the fund. Section 403.095, Government Code, does not apply to the system benefit fund.

(b) The system benefit fund is financed by a nonbypassable fee set by the commission in an amount not to exceed 65 cents per megawatt hour and by appropriated funds. The system benefit fund fee is allocated to customers based on the amount of kilowatt hours used.

(c) The nonbypassable fee may not be imposed on the retail electric customers of a municipally owned utility or electric cooperative before the sixth month preceding the date on which the utility or cooperative implements customer choice. Money distributed from the system benefit fund to a municipally owned utility or an electric cooperative shall be proportional to the nonbypassable fee paid by the municipally owned utility or the electric cooperative, subject to the reimbursement provided by

1 Subsection (i). On request by a municipally owned utility or
2 electric cooperative, the commission shall reduce the
3 nonbypassable fee imposed on retail electric customers served by
4 the municipally owned utility or electric cooperative by an amount
5 equal to the amount provided by the municipally owned utility or
6 electric cooperative or its ratepayers for local low-income
7 programs and local programs that educate customers about the retail
8 electric market in a neutral and nonpromotional manner.

9 (d) The commission shall annually review and approve system
10 benefit fund accounts, projected revenue requirements, and
11 proposed nonbypassable fees.

12 (e) Money in the system benefit fund may be appropriated to
13 provide funding solely for the following regulatory purposes, in
14 the following order of priority:

15 (1) programs to:

16 (A) provide bill payment assistance to
17 low-income electric customers who during the time of a declared
18 disaster that occurred in year 2021 or after and had an indexed
19 plan, or a variable rate plan, and have been impacted by high energy
20 bills as a result of the declared natural disaster; and

21 ~~[(A)]~~ (B) assist low-income electric customers
22 by providing the 10 percent reduced rate prescribed by Subsection
23 (h); and

24 ~~[(B)]~~ (C) provide one-time bill payment
25 assistance to electric customers who are or who have in their
26 households one or more seriously ill or disabled low-income persons
27 and who have been threatened with disconnection for nonpayment;

1 (2) customer education programs, administrative
2 expenses incurred by the commission in implementing and
3 administering this chapter, and expenses incurred by the office
4 under this chapter;

5 (3) programs to assist low-income electric customers
6 by providing the targeted energy efficiency programs described by
7 Subsection (f)(2);

8 (4) programs to assist low-income electric customers
9 by providing the 20 percent reduced rate prescribed by Subsection
10 (h); and

11 (5) reimbursement to the commission and the Health and
12 Human Services Commission for expenses incurred in the
13 implementation and administration of an integrated eligibility
14 process created under Section 17.007 for customer service discounts
15 relating to retail electric service, including outreach expenses
16 the commission determines are reasonable and necessary.

17 (f) Notwithstanding Section 39.106(b), the commission shall
18 adopt rules regarding programs to assist low-income electric
19 customers on the introduction of customer choice. The programs may
20 not be targeted to areas served by municipally owned utilities or
21 electric cooperatives that have not adopted customer choice. The
22 programs shall include:

23 (1) reduced electric rates as provided by Subsections
24 (h)-(1); and

25 (2) targeted energy efficiency programs to be
26 administered by the Texas Department of Housing and Community
27 Affairs in coordination with existing weatherization programs.

1 (g) Until customer choice is introduced in a power region,
2 an electric utility may not reduce, in any manner, programs already
3 offered to assist low-income electric customers.

4 (h) The commission shall adopt rules for a retail electric
5 provider to determine a reduced rate for eligible customers to be
6 discounted off the standard retail service package as approved by
7 the commission under Section 39.106, or the price to beat
8 established by Section 39.202, whichever is lower. Municipally
9 owned utilities and electric cooperatives shall establish a reduced
10 rate for eligible customers to be discounted off the standard
11 retail service package established under Section 40.053 or 41.053,
12 as appropriate. The reduced rate for a retail electric provider
13 shall result in a total charge that is at least 10 percent and, if
14 sufficient money in the system benefit fund is available, up to 20
15 percent, lower than the amount the customer would otherwise be
16 charged. To the extent the system benefit fund is insufficient to
17 fund the initial 10 percent rate reduction, the commission may
18 increase the fee to an amount not more than 65 cents per megawatt
19 hour, as provided by Subsection (b). If the fee is set at 65 cents
20 per megawatt hour or if the commission determines that
21 appropriations are insufficient to fund the 10 percent rate
22 reduction, the commission may reduce the rate reduction to less
23 than 10 percent. For a municipally owned utility or electric
24 cooperative, the reduced rate shall be equal to an amount that can
25 be fully funded by that portion of the nonbypassable fee proceeds
26 paid by the municipally owned utility or electric cooperative that
27 is allocated to the utility or cooperative by the commission under

1 Subsection (e) for programs for low-income customers of the utility
2 or cooperative. The reduced rate for municipally owned utilities
3 and electric cooperatives under this section is in addition to any
4 rate reduction that may result from local programs for low-income
5 customers of the municipally owned utilities or electric
6 cooperatives.

7 (i) A retail electric provider, municipally owned utility,
8 or electric cooperative seeking reimbursement from the system
9 benefit fund may not charge an eligible low-income customer a rate
10 higher than the appropriate rate determined under Subsection (h). A
11 retail electric provider not subject to the price to beat, or a
12 municipally owned utility or electric cooperative subject to the
13 nonbypassable fee under Subsection (c), shall be reimbursed from
14 the system benefit fund for the difference between the reduced rate
15 and the rate established under Section 39.106 or, as appropriate,
16 the rate established under Section 40.053 or 41.053. A retail
17 electric provider who is subject to the price to beat shall be
18 reimbursed from the system benefit fund for the difference between
19 the reduced rate and the price to beat. The commission shall adopt
20 rules providing for the reimbursement.

21 (j) The commission shall adopt rules providing for methods
22 of enrolling customers eligible to receive reduced rates under
23 Subsection (h). The rules must provide for automatic enrollment as
24 one enrollment option. The Texas Department of Human Services, on
25 request of the commission, shall assist in the adoption and
26 implementation of these rules. The commission and the Texas
27 Department of Human Services shall enter into a memorandum of

1 understanding establishing the respective duties of the commission
2 and the department in relation to the automatic enrollment.

3 (j-1) The commission shall adopt rules governing the bill
4 payment assistance program provided under Subsection (e)(1)(B).
5 The rules must provide that a customer is eligible to receive the
6 assistance only if the assistance is necessary to prevent the
7 disconnection of service for nonpayment of bills and the electric
8 customer is or has in the customer's household one or more seriously
9 ill or disabled low-income persons whose health or safety may be
10 injured by the disconnection. The commission may prescribe the
11 documentation necessary to demonstrate eligibility for the
12 assistance and may establish additional eligibility criteria. The
13 Health and Human Services Commission, on request of the commission,
14 shall assist in the adoption and implementation of these rules.

15 (k) A retail electric provider is prohibited from charging
16 the customer a fee for participation in the reduced rate program.

17 (l) For the purposes of this section, a "low-income electric
18 customer" is an electric customer:

19 (1) whose household income is not more than 125
20 percent of the federal poverty guidelines; or

21 (2) who receives food stamps from the Texas Department
22 of Human Services or medical assistance from a state agency
23 administering a part of the medical assistance program.

24 (m) This section expires September 1, 2024 [~~2017~~].