

By: Orr

H.B. No. 4590

A BILL TO BE ENTITLED

AN ACT

relating to charges imposed for costs related to Winter Storm Uri

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

SECTION 1. Section 104.361, Utilities Code, is amended by adding Subsection (c) to read as follows:

(c) The legislature finds and declares that Winter Storm Uri constituted a public calamity to this state due to the loss of life, injury, property damage, and widespread disruptions of gas supply, electricity, and utility services caused by prolonged freezing temperatures, heavy snow, and freezing rain statewide.

SECTION 2. Section 104.373, Utilities Code, is amended by adding Subsection (f) to read as follows:

(f) Notwithstanding any other law, a state agency may provide money appropriated for the purpose to the issuing financing entity to pay the aggregate customer rate relief charges authorized by this subchapter on behalf of customers described by Subsection (a).

SECTION 3. Chapter 403, Government Code, is amended by adding Subchapter S to read as follows:

SUBCHAPTER S. STORM COST OFFSET FUND

Sec. 403.601. DEFINITIONS. In this subchapter:

(1) "Electric cooperative" means a corporation organized and operating under Chapter 161, Utilities Code, or a predecessor statute to Chapter 161, Utilities Code, and designated

1 by the legislature to receive a distribution from the storm cost
2 offset fund, or its designated agent.

3 (2) "Extraordinary costs and expenses" has the meaning
4 assigned by Section 41.152(4), Utilities Code.

5 (3) "Winter Storm Uri" means the North American winter
6 storm that occurred in February 2021.

7 Sec. 403.602. PURPOSE. (a) The legislature finds and
8 declares that Winter Storm Uri constituted a public calamity to
9 this state due to the loss of life, injury, property damage, and
10 widespread disruptions of gas supply, electricity, and utility
11 services caused by prolonged freezing temperatures, heavy snow, and
12 freezing rain statewide.

13 (b) The purpose of this subchapter is to reduce the rates or
14 charges that retail electric service customers would otherwise
15 experience because of extraordinary costs and expenses that
16 electric cooperatives incurred related to Winter Storm Uri and that
17 electric cooperatives seek to recover through temporary or
18 permanent rates or charges.

19 Sec. 403.603. STORM COST OFFSET FUND. (a) The storm cost
20 offset fund is created as a fund in the state treasury outside the
21 general revenue fund. The fund is composed of:

22 (1) money transferred to the fund at the direction of
23 the legislature;

24 (2) gifts and grants contributed to the fund; and

25 (3) other money required by law to be deposited in the
26 fund.

27 (b) Money deposited to the credit of the storm cost offset

1 fund must be used for the benefit of retail electric service
2 customers of electric cooperatives designated by the legislature to
3 receive a distribution from the fund. Money received by an electric
4 cooperative, or its designated agent, from the fund may be used only
5 to offset the rates or charges the electric cooperative imposes on
6 its retail electric service customers to recover extraordinary
7 costs and expenses or, for a generation and transmission
8 cooperative, those rates and charges imposed to recover
9 extraordinary costs and expenses from its member electric
10 cooperatives that serve retail electric service customers.

11 (c) The electric cooperative or its designated agent shall
12 implement an offset of rates or charges on a pro-rata basis to all
13 existing or future retail electric service customers obligated to
14 pay, on or after the date of the first retail electric service
15 invoice following the distribution, a rate or charge related to
16 recovery of the electric cooperative's extraordinary costs and
17 expenses. The offset shall be reflected as a credit on a retail
18 electric service customer's bill.

19 (d) A generation and transmission cooperative shall
20 implement an offset of rates or charges on a pro-rata basis to all
21 of its member electric cooperatives that receive a rate or charge to
22 recover the generation and transmission cooperative's
23 extraordinary costs and expenses, effective on the first billing
24 date following the distribution from the fund. The offset shall be
25 reflected as a credit on the member electric cooperative's bill.

26 (e) An electric cooperative that receives an offset
27 pursuant to Subsection (d) shall implement an offset of rates or

1 charges on a pro-rata basis to all existing or future retail
2 electric service customers obligated to pay a rate or charge to
3 recover extraordinary costs and expenses, on or after the date of
4 the first retail electric service invoice following the receipt of
5 an offset from a generation and transmission cooperative. The
6 electric cooperative's offset shall be reflected as a credit on a
7 retail electric service customer's bill.

8 (f) The comptroller shall promptly distribute money in the
9 fund as directed by the legislature for the benefit of retail
10 electric service customers of designated electric cooperatives or
11 retail electric service customers of the member electric
12 cooperatives of designated electric cooperatives. Distributions
13 received by an electric cooperative from the fund shall be held in
14 trust for the benefit of its retail electric service customers or
15 its member electric cooperatives that are entitled to offsets under
16 this subchapter.

17 (g) Interest earned on money deposited to the credit of the
18 storm cost offset fund is exempt from Government Code Section
19 404.071. Interest earned on money in the fund shall be retained in
20 the storm cost offset fund.

21 (h) An electric cooperative designated by the legislature
22 to receive a distribution from the fund shall cooperate with the
23 comptroller to carry out the purpose of the fund.

24 (i) An electric cooperative or its designated agent that
25 receives a distribution from the storm cost offset fund shall, by
26 March 1 each calendar year, submit a report to the Legislative
27 Budget Board stating the number of customers that have received an

1 offset to rates or charges, the total dollar amount of offsets
2 provided by the electric cooperative or its designated agent, the
3 amount of money remaining from the distribution, and how any
4 remaining money is being maintained and invested. An electric
5 cooperative or its designated agent shall submit the report for
6 each calendar year that it maintains money distributed from the
7 storm cost offset fund.

8 Section 403.604. EXPIRATION. (a) This subchapter expires on
9 September 1, 2028 except as provide by (b).

10 (b) If an electric cooperative that receives a distribution
11 from the storm cost offset fund is holding funds in trust beyond
12 September 1, 2028, the trust fund shall be operated according to
13 Section 403.603(b), (c), (d), (e), (f), (g) and (h) and those
14 provisions shall continue in effect for such purposes.

15 SECTION 4. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2023.