

By: Turner

H.B. No. 3180

A BILL TO BE ENTITLED

AN ACT

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relating to reduced electric customer fees and continuation of low-income programs established as part of electric utility restructuring.

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

Section 1. Sec. 39.903(b), Utilities Code, is amended by amending Subsections (b) and (f) and adding Subsection (m) as follows:

(b) The system benefit fund is financed by a nonbypassable fee set by the commission in an amount not to exceed 5 [~~65~~] cents per megawatt hour. The system benefit fund fee is allocated to customers based on the amount of kilowatt hours used.

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

(1) reduced electric rates as provided by Subsections (h)-(m) [~~(1)~~]; and

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

(m) Programs to assist low-income electric customers under

1 Subsection (f) shall be maintained either through the system
2 benefit fund or the regulated rates of the transmission and
3 distribution utility. In the event that appropriations from the
4 system benefit fund are insufficient to support reduced rates and
5 targeted energy efficiency programs for low-income customers, the
6 commission shall adopt and implement rules to continue funding for
7 programs under Subsection (f).

8 (1) The rules adopted by the commission shall require
9 each transmission and distribution utility with affected
10 low-income customers to:

11 (a) provide sufficient funding for a 20 percent
12 rate discount as described in Section 39.903(h), to be determined
13 annually by the commission, and administered by a third party
14 contractor selected and overseen by the commission;

15 (b) provide sufficient funding for targeted
16 energy efficiency programs under contract with the Texas Department
17 of Housing and Community Affairs as described in Subsection (f)(2),
18 in an amount equal to funding in FY 2003 as a baseline with annual
19 adjustments for inflation;

20 (c) allocate the costs of providing funding for
21 the rate discount and targeted energy efficiency programs in rates
22 as a nonbypassable cost of doing business allocated to all
23 customers based on the amount of kilowatt hours used.

24 (2) The rules adopted by the commission under this
25 Subsection shall establish procedures for retail electric
26 providers seeking reimbursement from the third party contractor for
27 the difference between the reduced rate and the rate the customer

1 would have otherwise paid. A retail electric provider seeking
2 reimbursement from the third party administrator may not charge an
3 eligible customer a rate higher than the appropriate rate
4 determined under Subsection (h).

5 (3) The commission shall assure that customers
6 receiving the rate discount established by Subsection (f)(1) in FY
7 05 experience no interruption in benefits and shall adopt rules to
8 implement this Subsection no later than 91 days after its effective
9 date.

10 (3) Recovery of costs under this Section by
11 transmission and distribution utilities shall be subject to
12 approval under Chapter 36.

13 Section 2. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2005.