

By: Williams

S.B. No. 292

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the financing of the system benefit fund and the  
3 purposes for which the fund may be used.

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

5 SECTION 1. Sections 39.903(a), (b), (e), and (h), Utilities  
6 Code, are amended to read as follows:

7 (a) The system benefit fund is an account in the general  
8 revenue fund. Money in the account may be appropriated only for the  
9 purposes provided by this section [~~or other law~~]. Interest earned  
10 on the system benefit fund shall be credited to the fund. Section  
11 403.095, Government Code, does not apply to the system benefit  
12 fund.

13 (b) The system benefit fund is financed by a nonbypassable  
14 fee set by the commission in an amount sufficient to fund programs  
15 described by Subsection (e) [~~not to exceed 65 cents per megawatt~~  
16 ~~hour~~]. The system benefit fund fee is allocated to customers based  
17 on the amount of kilowatt hours used.

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

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

1           ~~[(B) provide one-time bill payment assistance to~~  
2 ~~electric customers who are or who have in their households one or~~  
3 ~~more seriously ill or disabled low-income persons and who have been~~  
4 ~~threatened with disconnection for nonpayment,]~~

5           (2) customer education programs, administrative  
6 expenses incurred by the commission in implementing and  
7 administering this chapter, and expenses incurred by the office  
8 under this chapter[+]

9           ~~[(3) programs to assist low-income electric customers~~  
10 ~~by providing the targeted energy efficiency programs described by~~  
11 ~~Subsection (f)(2),]~~

12           ~~[(4) programs to assist low-income electric customers~~  
13 ~~by providing the 20 percent reduced rate prescribed by Subsection~~  
14 ~~(h), and~~

15           ~~[(5) reimbursement to the commission and the Health~~  
16 ~~and Human Services Commission for expenses incurred in the~~  
17 ~~implementation and administration of an integrated eligibility~~  
18 ~~process created under Section 17.007 for customer service discounts~~  
19 ~~relating to retail electric service, including outreach expenses~~  
20 ~~the commission determines are reasonable and necessary].~~

21           (h) The commission shall adopt rules for a retail electric  
22 provider to determine a reduced rate for eligible customers to be  
23 discounted off the standard retail service package as approved by  
24 the commission under Section 39.106, or the price to beat  
25 established by Section 39.202, whichever is lower. Municipally  
26 owned utilities and electric cooperatives shall establish a reduced  
27 rate for eligible customers to be discounted off the standard

1 retail service package established under Section 40.053 or 41.053,  
2 as appropriate. The reduced rate for a retail electric provider  
3 shall result in a total charge that is at least 10 percent [~~and, if~~  
4 ~~sufficient money in the system benefit fund is available, up to 20~~  
5 ~~percent,~~] lower than the amount the customer would otherwise be  
6 charged. In any state fiscal year, the commission shall set the  
7 amount of the assessment at zero cents per megawatt hour if the  
8 commission determines that the balance of the system benefit fund  
9 is sufficient to fund the programs provided by Subsection (e) for  
10 the remainder of that state fiscal year. To the extent the system  
11 benefit fund is insufficient to fund the [~~initial 10 percent~~] rate  
12 reduction, the commission may set [~~increase~~] the fee at [~~to~~] an  
13 amount not to exceed [~~more than~~] 65 cents per megawatt hour [~~, as~~  
14 ~~provided by Subsection (b).~~ ~~If the fee is set at 65 cents per~~  
15 ~~megawatt hour or if the commission determines that appropriations~~  
16 ~~are insufficient to fund the 10 percent rate reduction, the~~  
17 ~~commission may reduce the rate reduction to less than 10 percent~~].  
18 For a municipally owned utility or electric cooperative, the  
19 reduced rate shall be equal to an amount that can be fully funded by  
20 that portion of the nonbypassable fee proceeds paid by the  
21 municipally owned utility or electric cooperative that is allocated  
22 to the utility or cooperative by the commission under Subsection  
23 (e) for programs for low-income customers of the utility or  
24 cooperative. The reduced rate for municipally owned utilities and  
25 electric cooperatives under this section is in addition to any rate  
26 reduction that may result from local programs for low-income  
27 customers of the municipally owned utilities or electric

1 cooperatives.

2 SECTION 2. Section 39.905(f), Utilities Code, is amended to  
3 read as follows:

4 (f) Each [~~Unless funding is provided under Section 39.903,~~  
5 ~~beginning January 1, 2006, each~~] unbundled transmission and  
6 distribution utility shall include in its energy efficiency plan a  
7 targeted low-income energy efficiency program to be administered by  
8 the Texas Department of Housing and Community Affairs in  
9 coordination with existing weatherization programs [~~as described~~  
10 ~~by Section 39.903(f)(2)~~], and the savings achieved by the program  
11 shall count toward the transmission and distribution utility's  
12 energy efficiency goal. The commission shall determine the  
13 appropriate level of funding to be allocated to both targeted and  
14 standard offer low-income energy efficiency programs in each  
15 unbundled transmission and distribution utility service area. The  
16 total expenditures for both targeted and standard offer low-income  
17 energy efficiency programs will be based on the amount spent by the  
18 transmission and distribution utility on the commission's  
19 hard-to-reach program in calendar year 2003. This level of funding  
20 for low-income energy efficiency programs shall be provided from  
21 money approved by the commission for the transmission and  
22 distribution utility's energy efficiency programs. The state  
23 agency that administers the federal weatherization assistance  
24 program shall provide reports as required by the commission to  
25 provide the most current information available on energy and peak  
26 demand savings achieved in each transmission and distribution  
27 utility service area.

1           SECTION 3. Sections 39.903(f) and (j-1), Utilities Code,  
2 are repealed.

3           SECTION 4. This Act takes effect September 1, 2007.