

BILL ANALYSIS

S.B. 1434
By: Carona
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that as the overall budget of energy efficiency programs managed by electric utilities continues to increase, the percentage of money spent on targeted low-income energy efficiency programs continues to decrease because of an outdated and obsolete funding mechanism. S.B. 1434 seeks to establish provisions relating to certain low-income weatherization programs in order to update the funding mechanism to more accurately reflect current needs.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1434 amends the Utilities Code, in provisions requiring each unbundled transmission and distribution utility to include in its energy efficiency plan a targeted low-income energy efficiency program to be administered by the Texas Department of Housing and Community Affairs in coordination with existing weatherization programs unless funding is provided under provisions relating to the system benefit fund, to remove language establishing that the total expenditures for both targeted and standard offer low-income energy efficiency programs will be based on the amount spent by the transmission and distribution utility on the Public Utility Commission of Texas' (PUC) hard to reach program in calendar year 2003. The bill requires the PUC to ensure that annual expenditures for the targeted low-income energy efficiency programs of each unbundled transmission and distribution utility are not less than 10 percent of the transmission and distribution utility's energy efficiency budget for the year. The bill requires a targeted low-income energy efficiency program to comply with the same audit requirements that apply to federal weatherization subrecipients. The bill requires the PUC, in an energy efficiency cost recovery factor proceeding related to applicable expenditures, to make findings of fact regarding whether the utility meets imposed requirements. The bill requires the state agency that administers the federal weatherization assistance program to participate in energy efficiency cost recovery factor proceedings related to applicable expenditures to ensure that targeted low-income weatherization programs are consistent with federal weatherization programs and adequately funded.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.