

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 241
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Advanced meters, commonly known as "smart meters," are part of a larger network of smart grid technology which monitors the electric grid and can notify grid operators with energy information. The adoption of smart meters was encouraged by the 79th Legislature because of their potential to increase the reliability of the regional electrical network, encourage dynamic pricing and demand response, make better use of transmission assets, and provide more choices for consumers. Since this time, there has been a considerable amount of public concern over the potential health effects of smart meters. These concerns have not gone away over the course of industry installation and educational outreach, suggesting the need for further action.

C.S.S.B. 241 allows a consumer to "opt-out" of having a smart meter installed in their home, at no extra cost to that consumer. Under C.S.S.B. 241, an electric utility that deploys smart meters is required to send notice to their customers informing them of their ability to "opt-out" of installation. An electric utility that has already deployed smart meters is required to send notice to their customers informing them that they may choose to have their smart meter removed. Furthermore, C.S.S.B. 241 requires a consumer to "opt-in" to the home area network technology portion of the advanced meter rather than requiring them to opt-out. C.S.S.B. 241 also prohibits the Electric Reliability Council of Texas from connecting with other grids. Finally, C.S.S.B. 241 calls for a joint committee by four members of the Senate and four members of the House (appointed by the governor) to study the health effects of smart meters and to report these findings to the legislature no later than December 2014.

C.S.S.B. 241 amends current law relating to the regulation of advanced meters and the interconnection of ERCOT with another grid, requires a study on the health effects of advanced meters, and authorizes an administrative penalty.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 39.107, Utilities Code) and SECTION 5 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 39.107, Utilities Code, by adding Subsections (k) through (r), as follows:

(k) Prohibits a person, except as provided by Subsection (l) or (m) or expressly provided by other law, from:

(1) accessing or disclosing a residential customer's information that is related to electric consumption for specific equipment and that is measured by, provided by, or otherwise collected from a home area network on the customer's side of an advanced meter, including information used to calculate charges for service, historical load data, and any other residential customer information; or

(2) controlling equipment connected to a home area network on the customer's side of an advanced meter.

(l) Provides that Subsection (k) does not affect the authority of an electric utility or transmission and distribution utility to provide customer metering or related data to the customer's retail electric provider, an independent organization certified under Section 39.151 (Essential Organizations), a provider of corporate support services for the purposes of providing those services, or any other third-party entity the customer authorizes. Authorizes a third-party entity to which this data is provided to use the data only to provide or offer to provide electric-related products or services to the customer.

(m) Authorizes a customer to authorize a person or other entity to access or disclose that customer's information as described by Subsection (k) or to control equipment connected to a home area network on that customer's side of an advanced meter.

(n) Authorizes the Public Utility Commission of Texas (PUC) to impose an administrative penalty as provided by Section 15.023 (Administrative Penalty, Disgorgement Order, or Mitigation Plan) for a wilful violation of Subsection (k).

(o) Requires that an electric utility or transmission and distribution utility that receives from PUC approval of the utility's plan for deploying advanced meters send by mail to each customer scheduled to receive an advanced meter under the plan a notice to inform the customer that the customer may decline to have the advanced meter installed and of the manner in which and date by which the customer must decline installation. Provides that if a customer timely declines to have the advanced meter installed, the utility may not install the meter or charge the customer any fees or surcharges related to declining the advanced meter, including the nonbypassable surcharge otherwise authorized by Subsection (h) (relating to requiring PUC to establish a nonbypassable surcharge for an electric utility or transmission and distribution utility to use to recover reasonable and necessary costs incurred in deploying advanced metering information networks).

(p) Requires that an electric utility or transmission and distribution utility that has deployed advanced meters under a plan approved by PUC send by mail to each customer that is using an installed advanced meter a notice to inform the customer that the customer may choose to have the meter removed and of the manner in which the customer must choose removal. Requires the utility, if the customer chooses to remove the advanced meter, to:

- (1) remove the advanced meter;
- (2) install a conventional meter at no cost to the customer; and
- (3) provide the customer with conventional metering services.

(q) Prohibits an electric utility or transmission and distribution utility that provides conventional metering services to a customer who has declined installation of an advanced meter or had an advanced meter removed under this section from reading that customer's conventional meter more than once each month.

(r) Requires PUC by rule to provide for a minimum period between the time a notice under Subsection (o) is mailed and the date by which a customer must decline installation.

SECTION 2. Amends Subchapter D, Chapter 39, Utilities Code, by adding Section 39.159, as follows:

Sec. 39.159. LIMITATION ON INTERCONNECTION. Prohibits PUC or an independent organization certified under Section 39.151 from authorizing the interconnection of the Electric Reliability Council of Texas, as defined by Section 31.002 (Definitions), with any electric transmission grid.

SECTION 3. (a) Requires a joint committee to conduct a study on the effects of advanced meters on public health.

(b) Provides that the committee is composed of eight members appointed as follows:

(1) four members of the senate appointed by the lieutenant governor; and

(2) four members of the house of representatives appointed by the speaker of the house of representatives.

(c) Requires the speaker of the house of representatives and the lieutenant governor to jointly designate a chair or, alternatively, designate two co-chairs from among the committee membership.

(d) Requires the committee to examine the effects of advanced meters on public health.

(e) Authorizes the committee to adopt rules necessary to carry out the committee's duties under this section.

(f) Authorizes the committee, except as otherwise specifically provided by this section, to operate in the same manner as a joint committee of the 83rd Legislature.

(g) Requires the committee, not later than December 1, 2014, to report to the governor and the legislature the findings of the study and any recommendations developed by the committee under this section.

SECTION 4. Provides that Section 39.107(k), Utilities Code, as added by this Act, applies only to accessing or disclosing information on or after the effective date of this Act. Provides that accessing or disclosing information before the effective date of this Act is covered by the law in effect at the time the action occurred, and the former law is continued in effect for that purpose.

SECTION 5. Requires PUC to adopt rules under Section 39.107(r), Utilities Code, as added by this Act, as soon as practicable following the effective date of this Act, but not later than January 1, 2014.

SECTION 6. Effective date: September 1, 2013.