

By: Lucio

S.B. No. 735

A BILL TO BE ENTITLED

AN ACT

relating to using the system benefit fund for the support of certain programs for low-income electric customers.

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

SECTION 1. Section 39.903, Utilities Code, is amended by amending Subsections (e) and (f) and adding Subsection (e-1) to read as follows:

(e) Money in the system benefit fund may be appropriated to provide funding [~~solely~~] for the following regulatory purposes [~~in the following order of priority~~]:

(1) programs to:

(A) assist low-income electric customers by providing the 10 percent reduced rate prescribed by Subsection (h); and

(B) provide one-time bill payment assistance to electric customers who are or who have in their households one or more seriously ill or disabled low-income persons and who have been threatened with disconnection for nonpayment;

(2) customer education programs, administrative expenses incurred by the commission in implementing and administering this chapter, and expenses incurred by the office under this chapter;

(3) programs to assist low-income electric customers by providing the targeted energy efficiency programs described by

1 Subsection (f)(2);

2 (4) programs to assist low-income electric customers  
3 by providing the 20 percent reduced rate prescribed by Subsection  
4 (h); and

5 (5) reimbursement to the commission and the Health and  
6 Human Services Commission for expenses incurred in the  
7 implementation and administration of an integrated eligibility  
8 process created under Section 17.007 for customer service discounts  
9 relating to retail electric service, including outreach expenses  
10 the commission determines are reasonable and necessary.

11 (e-1) After deducting amounts allocated to pay for  
12 activities under Subsection (e)(2), the remaining appropriations  
13 to the commission from the system benefit fund must be allocated so  
14 that:

15 (1) 75 percent is used for the purposes of Subsections  
16 (e)(1)(A) and (e)(4);

17 (2) at least 20 percent is used for the purposes of  
18 Subsection (e)(3); and

19 (3) not more than 5 percent is used for the purposes of  
20 Subsection (e)(1)(B).

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

27 (1) reduced electric rates as provided by Subsections

1 (h)-(1); and

2 (2) targeted [~~energy efficiency~~] programs to be  
3 administered by the Texas Department of Housing and Community  
4 Affairs in coordination with existing weatherization programs,  
5 including energy efficiency programs, insulation programs, home  
6 energy audit programs, modifications to home appliances or heating  
7 or cooling systems, and programs described by Section 2306.0975,  
8 Government Code.

9 SECTION 2. Subchapter E, Chapter 2306, Government Code, is  
10 amended by adding Section 2306.0975 to read as follows:

11 Sec. 2306.0975. CREDIT-ENHANCED LOANS TO BENEFIT  
12 LOW-INCOME ELECTRIC CUSTOMERS. (a) The department shall establish  
13 one or more credit-enhanced loan programs to assist low-income  
14 electric customers in paying for energy efficiency projects or  
15 renewable energy projects designed to benefit those electric  
16 customers. The department shall fund the programs using money  
17 received by the department under Section 39.903(f)(2), Utilities  
18 Code, and other money appropriated for that purpose, including  
19 money appropriated under Subsection (d).

20 (b) A credit-enhanced loan under a program may be directed  
21 for individual product installations or whole-building upgrades  
22 and may be given to a low-income electric customer, an owner of  
23 housing for low-income persons, a local government, a private  
24 developer, or a nonprofit or other entity that constructs or  
25 conducts major renovations of housing for low-income populations.

26 (c) A program established under this section may take the  
27 form of:

1           (1) a loan loss reserve set aside to offset potential  
2 losses as a result of repayment defaults;

3           (2) a loan guarantee to cover a lender's potential  
4 losses on loans;

5           (3) a debt service reserve set aside to offset  
6 potential delayed or defaulted loan payments; or

7           (4) a reduced interest loan program.

8           (d) The legislature may appropriate money to the department  
9 from the system benefit fund for the purposes of a program  
10 established under this section.

11           SECTION 3. This Act takes effect September 1, 2013.