

BILL ANALYSIS

Senate Research Center

S.B. 1976
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1999, Texas began the System Benefit Fund (SBF), which was a transitional mechanism in the competitive electric market. SBF funds were used chiefly to provide electric bill assistance to low-income Texans, fund customer education programs, and cover related administrative costs. The program operated under the name LITE-UP Texas and usually paid a portion of peak summer bills for needy Texans.

Customers were eligible for LITE-UP Texas benefits if they received food stamps, Medicaid, Aid for Families with Dependent Children, or Supplemental Security Income from the Health and Human Services Commission (HHSC). In order to facilitate the program, HHSC would share a database of eligible customers with the Public Utility Commission of Texas (PUC), to allow PUC to administer the program, providing relevant information to retail electric providers operating in the competitive market.

Funds for the program were from a non-bypassable charge to the electricity bills of all Texans in the competitive market. H.B. 7, passed by the 83rd Legislature, eliminated that non-bypassable fee, and provided a mechanism to exhaust the remainder of the SBF by allowing PUC to set a discount designed to exhaust the funds.

As of September 1, 2015, some funds remained. H.B. 1101, passed by the 84th Legislature, temporarily continued the SBF to further allow the disbursement of the SBF's balance, which was achieved by September 1, 2016. The statutory authorization for the program will expire on September 1, 2017.

The expiration of the SBF includes the expiration of the mechanism by which PUC can identify customers who qualify as low-income. Retail electric providers may offer other programs, such as bill-payment assistance, waivers for deposit requirements, or other methods of assistance that depend on PUC identification of a customer as eligible.

S.B. 1976 allows HHSC and PUC to continue the process to provide the identification of low-income customers to retail electric providers and certified telecommunications utilities who want to offer customer service, discounts, bill payment assistance, or other methods of assistance.

S.B. 1976 does not require nor does it allow PUC to require a retail electric provider or certified telecommunications utility to offer customer service discounts, bill payment assistance, or other benefits for which the provider is not reimbursed. It does not reinstate the SBF or LITE-UP Texas program. S.B. 1976 continues the portion of the SBF that will allow voluntary low-income programs to continue to be offered on a competitive basis. (Original Author's / Sponsor's Statement of Intent)

S.B. 1976 amends current law relating to benefit programs provided by retail electric providers and certificated telecommunications utilities for low-income customers.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Public Utility Commission of Texas (PUC) is rescinded in SECTION 1 (Section 17.007, Utilities Code) of this bill.

Rulemaking authority previously granted to PUC is modified in SECTIONS 2 and 3 (Sections 55.015 and 56.021, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 17.007, Utilities Code, as follows:

Sec. 17.007. New heading: IDENTIFICATION PROCESS FOR CUSTOMER SERVICE BENEFITS. Requires the Health and Human Services Commission (HHSC), on request of the Public Utility Commission of Texas (PUC), to assist in developing an automatic process for identifying low-income customers to retail electric providers (providers) and certificated telecommunications utilities to enable those providers and utilities to offer customer service, discounts, bill payment assistance, or other methods of assistance. Deletes existing text requiring PUC by rule to provide for an integrated eligibility process for customer service discounts, including discounts under Sections 39.903 (System Benefit Fund) and 55.015 (Lifeline Service).

(b) Requires PUC and HHSC to continue the memorandum of understanding entered into by those agencies in effect on January 1, 2017, that establishes the respective duties of those agencies in relation to the automatic process, and authorizes PUC and HHSC to amend the memorandum of understanding as necessary to achieve the goals of this section.

(c) Prohibits PUC from requiring a provider or certificated telecommunications utility to offer customer service, discounts, bill payment assistance, targeted bill messaging, or other benefits for which the provider or utility is not reimbursed.

(d) Prohibits PUC from submitting a request to HHSC to provide for a process to identify low-income electric customers for a fiscal year unless:

(1) PUC receives a request from one or more providers not later than a certain date for a list of low-income electric customers to be developed; and

(2) each provider that submits a request to PUC under Subdivision (1) agrees to reimburse PUC for the cost of development of the list on terms agreed to by PUC and the provider.

SECTION 2. Amends Section 55.015(b), Utilities Code, to change references to the Texas Department of Human Services to HHSC and make a nonsubstantive change.

SECTION 3. Amends Section 56.021, Utilities Code, as follows:

Sec. 56.021. UNIVERSAL SERVICE FUND ESTABLISHED. Requires PUC to adopt and enforce rules requiring local exchange companies to establish a universal service fund to:

(1) through (5) makes no changes to these subdivisions;

(6) finance the implementation and administration of the identification process under Section 17.007 for telecommunications services, rather than finance the implementation and administration of an integrated eligibility process created under Section 17.007 for customer service discounts relating to telecommunications services, including outreach expenses PUC determines are reasonable and necessary;

(7) through (9) makes no changes to these subdivisions.

SECTION 4. Effective date: September 1, 2017.