

BILL ANALYSIS

Senate Research Center

S.B. 1976
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Business & Commerce
4/10/2017
As Filed

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.

As proposed, S.B. 1976 amends current law relating to the eligibility process for customer service benefits.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Public Utility Commission of Texas is rescinded in SECTION 1 (Section 17.007, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

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

Sec. 17.007. New heading: **ELIGIBILITY PROCESS FOR CUSTOMER SERVICE BENEFITS**. Requires the Texas Department of Health and Human Services (department), on request of the Public Utility Commission of Texas (PUC), to assist in developing an automatic process to provide for identification of low-income customers to retail electric providers and certified telecommunications utilities to enable those providers to offer customer service, discounts, bill payment assistance, or other methods of assistance. Requires a member of PUC (commissioner) and the department to continue the memorandum of understanding in effect on January 1, 2017, that establishes the respective duties of PUC and the department in relation to the automatic process, and authorizes the commissioner and the department to amend the memorandum of understanding as necessary to achieve the goals of this section. Deletes existing text requiring PUC by rule to provide for an integrated eligibility process for customer service discounts, including discounts under Sections 39.0903 (System Benefit Fund) and 55.015 (Lifeline Service).

- (a) Prohibits PUC from requiring 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.