

By: Hernandez

H.B. No. 1359

A BILL TO BE ENTITLED

AN ACT

relating to a program to provide assistance for certain retail electric customers; authorizing a fee.

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

SECTION 1. Section 17.007, Utilities Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) The Health and Human Services Commission, on request of the commission, shall assist in:

(1) developing an automatic process for identifying low-income customers to retail electric providers and certificated telecommunications utilities to enable those providers and utilities to offer customer service, discounts, bill payment assistance, or other methods of assistance; and

(2) implementing Section 39.9035.

(e) Subsection (d) does not apply in a state fiscal biennium in which money is available under Section 39.9035 for the process established by this section.

SECTION 2. Section 39.002, Utilities Code, is amended to read as follows:

Sec. 39.002. APPLICABILITY. This chapter, other than Sections 39.151, 39.1516, 39.155, 39.157(e), 39.161, 39.162, 39.163, 39.203, 39.9035, 39.9051, 39.9052, and 39.914(e), and Subchapters M and N, does not apply to a municipally owned utility

1 or an electric cooperative. Sections 39.157(e), ~~[and]~~ 39.203, and  
2 39.9035 apply only to a municipally owned utility or an electric  
3 cooperative that is offering customer choice. If there is a  
4 conflict between the specific provisions of this chapter and any  
5 other provisions of this title, except for Chapters 40 and 41, the  
6 provisions of this chapter control.

7 SECTION 3. Subchapter 2, Chapter 39, Utilities Code, is  
8 amended by adding Section 39.9035 to read as follows:

9 Sec. 39.9035. INCOME-BASED ASSISTANCE FUND. (a) In this  
10 section, "fund" means the income-based assistance fund.

11 (b) The income-based assistance fund is established as a  
12 trust fund outside the state treasury to be held by the comptroller  
13 and administered without further appropriation by the commission as  
14 trustee on behalf of persons eligible to receive monetary  
15 assistance from the fund or support from programs paid for using  
16 money in the fund.

17 (c) The fund is financed by a nonbypassable fee collected by  
18 each retail electric provider and each municipally owned utility  
19 and electric cooperative that has adopted customer choice. The  
20 commission shall set the amount of the fee, which may not exceed 65  
21 cents per megawatt hour. The fee must be charged to retail electric  
22 customers based on the number of kilowatt hours used by the  
23 customer. The commission shall set the fee biennially in a  
24 reasonable amount necessary to produce sufficient revenue to cover  
25 the estimated cost of administering this section during the period  
26 for which the fee is in effect. When setting the fee for an  
27 applicable period, the commission must consider the balance of the

1 fund, if any, that is available for the purposes for which the fund  
2 may be used during that period. The commission shall publish the  
3 fee set under this subsection and the period for which the fee will  
4 be in effect in the Texas Register. The proceeds of the fee shall be  
5 remitted to the comptroller for deposit to the credit of the fund.

6 (d) The fund consists of:

7 (1) revenue from the fee established under Subsection  
8 (c);

9 (2) money appropriated, credited, transferred, or  
10 deposited to the credit of the fund by the legislature;

11 (3) gifts, grants, or donations made to the fund; and

12 (4) interest or other earnings attributable to the  
13 investment of money in the fund.

14 (e) Money in the fund may be used to provide funding only for  
15 the following purposes, in the following order of priority:

16 (1) programs to:

17 (A) assist low-income electric customers by  
18 making available the discounts described by Subsection (g); and

19 (B) provide one-time bill payment assistance as  
20 described by Subsection (m) to critical care residential customers,  
21 as defined by Section 17.002, who have received notice of an  
22 impending service disconnection for nonpayment;

23 (2) customer education that provides information on  
24 other assistance programs;

25 (3) administrative expenses incurred by the  
26 commission in implementing and administering this chapter and  
27 expenses incurred by the office under this chapter; and

1           (4) reimbursement to the commission and the Health and  
2 Human Services Commission for expenses incurred in the  
3 implementation and administration of the automatic identification  
4 process established under Section 17.007 for customer service  
5 discounts relating to retail electric service, including outreach  
6 expenses the commission determines are reasonable and necessary.

7           (f) The commission shall adopt rules regarding programs to  
8 assist low-income electric customers in areas where customer choice  
9 is available. The programs may not be targeted to areas served by  
10 municipally owned utilities or electric cooperatives that have not  
11 adopted customer choice.

12           (g) Programs adopted under Subsection (f) must include a  
13 retail electric service discount program for low-income electric  
14 customers that the commission implements for the purpose of making  
15 the reimbursements authorized under Subsection (j). The commission  
16 by rule shall require electric cooperatives that have adopted  
17 customer choice, municipally owned utilities that have adopted  
18 customer choice, and retail electric providers to provide the  
19 discount. The commission shall set the amount of the discount as a  
20 fixed amount and may periodically revise the fixed amount. The  
21 discount for electric cooperatives that have adopted customer  
22 choice and municipally owned utilities that have adopted customer  
23 choice must be in addition to any rate reduction that may result  
24 from local programs for low-income electric customers of the  
25 municipally owned utility or electric cooperative.

26           (h) The commission by rule shall establish eligibility  
27 criteria for the discount program required under Subsection (g).

1 The criteria must provide that a customer is eligible for a discount  
2 if identified by the Health and Human Services Commission as  
3 eligible as a low-income customer under Section 17.007.

4 (i) The commission by rule shall prescribe methods of  
5 enrolling customers eligible to receive a discount under Subsection  
6 (g) that are compatible with the automatic identification process  
7 established under Section 17.007. The rules must provide for  
8 automatic enrollment as one enrollment option for customers that  
9 have been identified as low-income customers under Section 17.007.

10 (j) The commission shall provide reimbursement from the  
11 fund for each electric cooperative, municipally owned utility, or  
12 retail electric provider that provides a discount under Subsection  
13 (g) for the amount of the discount provided to eligible customers.  
14 The commission shall adopt rules providing for the reimbursement.

15 (k) Money distributed from the fund to a municipally owned  
16 utility or an electric cooperative shall be proportional to the  
17 nonbypassable fee paid by the municipally owned utility or electric  
18 cooperative, subject to the reimbursement provided by Subsection  
19 (j). On request by a municipally owned utility or an electric  
20 cooperative, the commission shall reduce the nonbypassable fee  
21 imposed on retail electric customers served by the municipally  
22 owned utility or electric cooperative by an amount equal to the  
23 amount provided by the municipally owned utility or electric  
24 cooperative or its ratepayers for local low-income programs.

25 (l) A retail electric provider may not charge the customer a  
26 fee for receiving a discount.

27 (m) Programs adopted under Subsection (f) must include a

1 bill payment assistance program as described by Subsection  
2 (e)(1)(B). The commission may prescribe the documentation  
3 necessary to demonstrate eligibility for the assistance and may  
4 establish additional eligibility criteria. The Health and Human  
5 Services Commission, on request of the commission, shall assist in  
6 the adoption and implementation of these rules. The commission  
7 shall provide reimbursement from the fund for each electric  
8 cooperative, municipally owned utility, or retail electric  
9 provider that provides bill payment assistance under this  
10 subsection for the amount of the bill payment assistance provided  
11 to eligible customers. The commission shall adopt rules providing  
12 for the reimbursement.

13 (n) The commission shall annually review and approve fund  
14 accounts, projected revenue requirements, and proposed  
15 nonbypassable fees.

16 SECTION 4. Section 40.001(a), Utilities Code, is amended to  
17 read as follows:

18 (a) Notwithstanding any other provision of law, except  
19 Sections 39.155, 39.157(e), ~~and~~ 39.203, and 39.9035, this chapter  
20 governs the transition to and the establishment of a fully  
21 competitive electric power industry for municipally owned  
22 utilities. With respect to the regulation of municipally owned  
23 utilities, this chapter controls over any other provision of this  
24 title, except for sections in which the term "municipally owned  
25 utility" is specifically used.

26 SECTION 5. Section 41.001, Utilities Code, is amended to  
27 read as follows:

1           Sec. 41.001. APPLICABLE LAW. Notwithstanding any other  
2 provision of law, except Sections 39.155, 39.157(e), [~~and~~] 39.203,  
3 and 39.9035, this chapter governs the transition to and the  
4 establishment of a fully competitive electric power industry for  
5 electric cooperatives. Regarding the regulation of electric  
6 cooperatives, this chapter shall control over any other provision  
7 of this title, except for sections in which the term "electric  
8 cooperative" is specifically used.

9           SECTION 6. This Act takes effect September 1, 2025.