By: Hernandez H.B. No. 1197

A BILL TO BE ENTITLED

AN ACT

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

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, electric utilities that issue bills directly to customers, 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, 39.169, 39.170, 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 or an electric cooperative. Sections 39.157(e) and 39.203 apply only to a municipally owned utility or an electric cooperative that is offering customer choice. If there is a conflict between the specific provisions of this chapter and any other provisions of this title, except for Chapters 40 and 41, the provisions of this chapter control.

SECTION 3. Section 39.402(a), Utilities Code, is amended to read as follows:

(a) Until the date on which an electric utility subject to this subchapter is authorized by the commission to implement customer choice, the rates of the utility shall be regulated under traditional cost of service regulation and the utility is subject to all applicable regulatory authority prescribed by this subtitle and Subtitle A, including Chapters 14, 32, 33, 36, and 37. Until the date on which an electric utility subject to this subchapter implements customer choice, the provisions of this chapter, other than this subchapter, Sections 39.1516, 39.9035, and 39.905, and the provisions relating to the duty to obtain a permit from the Texas Commission on Environmental Quality for an electric generating facility and to reduce emissions from an electric generating facility, shall not apply to that utility. That portion of any commission order entered before September 1, 2001, to comply with this subchapter shall be null and void.

SECTION 4. Section 39.452(d), Utilities Code, is amended to read as follows:

(d) Until the date on which an electric utility subject to

this subchapter implements customer choice:

(1) the provisions of this chapter do not apply to that electric utility, other than this subchapter, Sections 39.1516, 39.9035, and 39.905, the provisions relating to the duty to obtain a permit from the Texas Commission on Environmental Quality for an electric generating facility and to reduce emissions from an electric generating facility, and the provisions of Subchapter G that pertain to the recovery and securitization of hurricane reconstruction costs authorized by Sections 39.458-39.463; and

(2) the electric utility is not subject to a rate freeze and, subject to the limitation provided by Subsection (b), may file for rate changes under Chapter 36 and for approval of one or more of the rate rider mechanisms authorized by Sections 39.454 and 39.455.

SECTION 5. Section 39.502(b), Utilities Code, is amended to read as follows:

(b) Until the date on which an electric utility subject to this subchapter implements customer choice, the provisions of this chapter, other than this subchapter and Sections 39.1516, 39.9035, and 39.905, do not apply to that utility.

SECTION 6. Section 39.552(b), Utilities Code, is amended to read as follows:

(b) Until the date on which an electric utility subject to this subchapter implements customer choice, the provisions of this chapter, other than this subchapter and Sections 39.1516, 39.9035, and 39.905, do not apply to that utility.

SECTION 7. Subchapter Z, Chapter 39, Utilities Code, is

amended by adding Section 39.9035 to read as follows:

Sec. 39.9035. INCOME-BASED ASSISTANCE FUND. (a) In this section:

(1) "Electric utility" means an electric utility that issues a bill directly to a retail customer.

(2) "Extreme weather emergency" has the meaning assigned by Section 39.101.

(3) "Fund" means the income-based assistance fund.

(b) The income-based assistance fund is an account in the general revenue fund. Money in the account may be appropriated only for the purposes provided by this section or other law.

(c) The fund consists of:

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

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

(3) interest or other earnings attributable to the investment of money in the fund.

(d) Money in the fund may be appropriated to the commission and used to provide funding only for the following purposes, in the following order of priority:

(1) programs to:

(A) assist low-income electric customers by making available the bill payment assistance described by Subsection (f); and

(B) provide one-time bill payment assistance as described by Subsection (k) to critical care residential customers, as defined by Section 17.002, who have received notice of an

impending service disconnection for nonpayment;

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

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

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

(e) The commission shall adopt rules regarding programs to assist low-income electric customers.

(f) Programs adopted under Subsection (e) must include a retail electric service bill payment assistance program for low-income electric customers for bills due during an extreme weather emergency that the commission implements periodically as money is made available in the fund for the purpose of making the reimbursements authorized under Subsection (g).

(g) Using money from the fund, the commission shall provide reimbursement for an electric cooperative, a municipally owned utility, an electric utility, or a retail electric provider that provides bill payment assistance under Subsection (f) for the amount of bill payment assistance provided to eligible customers. The commission shall adopt rules providing for the reimbursement.

(h) The commission by rule shall adopt eligibility criteria

for the bill payment assistance program required under Subsection (f). The criteria must provide that a customer is eligible for bill payment assistance if the customer:

(1) is identified by the Health and Human Services Commission as a low-income customer under Section 17.007; and

(2) resides in a county affected by an extreme weather emergency during the billing period for which the assistance is sought.

(i) The commission by rule shall prescribe methods of enrolling customers eligible to receive bill payment assistance for bills due during an extreme weather emergency under Subsection (f) that:

(1) are compatible with the automatic identification process established under Section 17.007; and

(2) provide for automatic enrollment as one enrollment option for customers that have been identified as low-income customers under Section 17.007.

(j) A retail electric provider, electric cooperative, municipally owned utility, or electric utility may not charge the customer a fee for receiving bill payment assistance under this section.

(k) Programs adopted under Subsection (e) must include a bill payment assistance program as described by Subsection (d)(1)(B) that the commission implements periodically as money is made available in the fund for the purpose of making the reimbursements authorized under this subsection. The commission may prescribe the documentation necessary to demonstrate

eligibility for the assistance and may establish additional eligibility criteria. The Health and Human Services Commission, on request of the commission, shall assist in the adoption and implementation of these rules. The commission shall provide reimbursement from the fund for each electric cooperative, municipally owned utility, electric utility, or retail electric provider that provides bill payment assistance under this subsection for the amount of the bill payment assistance provided to eligible customers. The commission shall adopt rules providing for the reimbursement.

SECTION 8. Section 40.001(a), Utilities Code, is amended to read as follows:

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

SECTION 9. Section 41.001, Utilities Code, is amended to read as follows:

Sec. 41.001. APPLICABLE LAW. Notwithstanding any other provision of law, except Sections 39.155, 39.157(e), [~~and~~] 39.203, and 39.9035, this chapter governs the transition to and the establishment of a fully competitive electric power industry for electric cooperatives. Regarding the regulation of electric

cooperatives, this chapter shall control over any other provision of this title, except for sections in which the term "electric cooperative" is specifically used.

SECTION 10. This Act takes effect September 1, 2027.