

BILL ANALYSIS

C.S.H.B. 2572
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note confusion about whether certain state laws and rules adopted by the Public Utility Commission of Texas relating to the recovery of reasonable and necessary costs incurred in deploying advanced metering and meter information networks apply to a certain investor-owned electric utility. C.S.H.B. 2572 seeks to provide the necessary clarity on this issue by expressly authorizing an investor-owned electric utility that meets certain criteria to recover such costs, subject to certain rules and requirements.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2572 amends the Utilities Code to authorize an investor-owned electric utility that is operating solely outside of the Electric Reliability Council of Texas in areas of Texas that were included in the Southeastern Electric Reliability Council on January 1, 2005, and that elects to deploy advanced metering and meter information networks to recover reasonable and necessary costs incurred in deploying advanced metering and meter information networks. The bill subjects an electric utility that elects to deploy advanced metering or meter information networks to certain Public Utility Commission of Texas (PUC) rules relating to metering and billing services. The bill requires the PUC to ensure that any deployment plan approved under the bill's provisions and any related customer surcharge are not applicable to customer accounts that receive service at transmission voltage and are consistent with PUC rules related to advanced metering systems regarding customer protections, data security, privacy, and ownership, and options given consumers to continue to receive service through a non-advanced meter. The bill requires an eligible electric utility that elects to deploy an advanced meter information network under the bill's provisions to deploy the network as rapidly as practicable to allow customers to better manage energy use and control costs.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2572 may differ from the original in minor or nonsubstantive ways, the

following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 39.452, Utilities Code, is amended by adding Subsections (k) and (l) to read as follows:

(k) Notwithstanding Subsection (d), an electric utility subject to this subchapter that elects to deploy advanced metering and meter information networks may recover reasonable and necessary costs incurred in deploying advanced metering and meter information networks. An electric utility that elects to deploy advanced metering or meter information networks is subject to commission rules adopted under Sections 39.107(h) and (k). The commission shall ensure that any deployment plan approved under this section

is consistent with commission rules related to advanced metering systems regarding:

- (1) customer protections;
- (2) data security, privacy, and ownership;
- and
- (3) options given consumers to continue to receive service through a non-advanced meter.

(l) An electric utility subject to this subchapter that elects to deploy an advanced meter information network shall deploy the network as rapidly as practicable to facilitate demand response initiatives and to allow customers to better manage energy use and control costs.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 39.452, Utilities Code, is amended by adding Subsections (k) and (l) to read as follows:

(k) Notwithstanding Subsection (d), an electric utility subject to this subchapter that elects to deploy advanced metering and meter information networks may recover reasonable and necessary costs incurred in deploying advanced metering and meter information networks. An electric utility that elects to deploy advanced metering or meter information networks is subject to commission rules adopted under Sections 39.107(h) and (k). The commission shall ensure that any deployment plan approved under this section and any related customer surcharge:

(1) are not applicable to customer accounts that receive service at transmission voltage;

and

(2) are consistent with commission rules related to advanced metering systems regarding:

- (A) customer protections;
- (B) data security, privacy, and ownership;
- and
- (C) options given consumers to continue to receive service through a non-advanced meter.

(l) An electric utility subject to this subchapter that elects to deploy an advanced meter information network shall deploy the network as rapidly as practicable to

allow customers to better manage energy use and control costs.

SECTION 2. Same as introduced version.