

- SUBJECT:** Requiring electric utilities to seek federal stimulus funds
- COMMITTEE:** Energy Resources — committee substitute recommended
- VOTE:** 6 ayes — Keffer, Crabb, Farabee, Gonzalez Toureilles, Hardcastle, Strama  
0 nays  
3 absent — Crownover, Craddick, Rios Ybarra
- WITNESSES:** For — Phillip Oldham, Texas Association of Manufacturers; (*Registered, but did not testify:* Michael Jewell, Reliant Energy; Warren Mayberry, DuPont; David Power, Public Citizen; Cyrus Reed, Lone Star Chapter, Sierra Club; Christina Wisdom, Texas Chemical Council)  
  
Against — None  
  
On — Walt Baum, Association of Electric Companies of Texas
- BACKGROUND:** The 79th Texas Legislature in 2005 enacted HB 2129 by Bonnen, encouraging the implementation of advanced metering infrastructure, or “smart meter” technology. HB 2129 directed the Public Utility Commission to establish a cost-recovery mechanism for utilities that deployed the advanced meters. For example, CenterPoint Energy, a transmission and distribution utility (TDU) serving the Houston metropolitan area, and Oncor Electric Delivery Company, a TDU serving parts of North Central, East, and West Texas, are deploying advanced metering systems across their service territories. The surcharge for each residential customer in CenterPoint’s service territory for the first 24 months, beginning in February 2009, is \$3.24 per month. The surcharge will then be reduced to \$3.05 per month. Residential customers in Oncor’s service territory will pay a surcharge of \$2.21 per month.
- The construction of the transmission facilities between the Competitive Renewable Energy Zones and urban areas is estimated to be almost \$5 billion. The cost of the improvements will be met with a transmission charge of about \$4 per month on the average residential utility bill.
- The American Recovery and Reinvestment Act, recently enacted by

Congress, provides federal grant money for the implementation of "smart meter" technology and for construction of transmission lines for renewable energy.

DIGEST:

CSHB 4309 would amend the Utilities Code by requiring an electric utility or TDU that deployed advanced metering to try to obtain grants, loans, and loan guarantees available from the federal government in order to reduce the utility's cost of deployment. The PUC would be required to reflect any federal funds obtained when establishing the amount of a surcharge.

This requirement also would apply to an electric utility, TDU, or river authority that had been designated by the PUC to construct transmission capacity. Any revenue obtained would be required to be reflected when establishing or modifying the rates of the utility or authority.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.