

BILL ANALYSIS

Senate Research Center
84R15380 GRM-D

H.B. 1101
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Finance
5/17/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 7 passed by the 83rd Legislature eliminated the non-bypassable fee that funds the system benefit fund and provided a mechanism to exhaust the remainder of the funds by providing a significant increase in electricity discount to low income Texans on their electric bills during the summer months. It was the intent to end the fund on September 1, 2016, however, the Public Utility Commission has reported there are still funds available to provide the discount.

In an effort to ensure system benefit funds are distributed for their intended purpose for which the fee was originally collected, to assist low income electricity customers, H.B. 1101 will temporarily continue the fund until September 1, 2017, and allow the remaining funds to be distributed to eligible low income individuals.

H.B. 1101 removes the requirement that the rate discount be allowed only for the months of September 2015, and May through August 2016 and instead allows the rate discount to be year round from September 2016 through August 2017. The bill also allows the Public Utility Commission to set the discount at the rate it determines is necessary to exhaust the system benefit fund.

H.B. 1101 amends current law relating to extending the period over which the balance of the system benefit fund is to be eliminated.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 39.903(m), Utilities Code, to provide that this section expires September 1, 2017, rather than September 1, 2016.

SECTION 2. Amends Section 39.9039, Utilities Code, as follows:

Sec. 39.9039. ELIMINATION OF SYSTEM BENEFIT FUND BALANCE. (a) Requires the Public Utility Commission of Texas (PUC), notwithstanding Section 39.903(b) (providing that the system benefit fund is financed by a nonbypassable fee set by PUC in an amount not to exceed 65 cents per megawatt hour), to set the nonbypassable system benefit fund fee at the amount of zero cents per megawatt hour for the period beginning September 1, 2013, and ending September 1, 2017, rather than September 1, 2016.

(b) Authorizes, notwithstanding Section 39.903(e) (authorizing money in the system benefits program to be appropriated to provide funding solely for the certain regulatory purposes in a specific order set forth), money in the system benefit fund to be appropriated:

(1) Creates this subdivision from existing Subdivision (2) text;

(2) for the state fiscal year beginning September 1, 2015, to a program established by PUC to assist low-income electric customers by providing a reduced rate for the months of September, 2015, through August, rather than for the months of September, 2015, and May through August, 2016, in the manner prescribed by Section 39.903(h) (requiring PUC to adopt rules for a retail electric provider to determine a reduced rate for eligible customers as set forth), at the rate PUC determines is necessary to exhaust the system benefit fund, rather than at a rate of up to 15 percent;

(3) for the state fiscal year beginning September 1, 2016, if any money remains in the fund, to a program established by PUC to assist low-income electric customers by providing a reduced rate for the months of September, 2016, through August, 2017, in the manner prescribed by Section 39.903(h), at the rate PUC determines is necessary to exhaust the system benefit fund; and

(4) Makes no change to this subdivision.

Deletes existing text authorizing that notwithstanding Section 39.903(e), money in the benefit fund be appropriated for the state fiscal year beginning September 1, 2013, a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2013, and May through August, 2014, in the manner prescribed by Section 39.903(h) at a rate of up to 82 percent.

(c) Provides that this section expires September 1, 2017, rather than September 1, 2016.

SECTION 3. Effective date: upon passage or September 1, 2015.